DIPALESENG LOCAL MUNICIPALITY



IDP REVIEW FOR 2014/15

Dipaleseng Municipality

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18 JUNE 2014

The MEC

Department of Corporate Governance & Traditional Affairs

Private Bag X 11310

NELSPRUIT 1200

ATTENTION: MR T TSHWARELO

INTEGRATED DEVELOPMENT PLAN 2014/15 CYCLE OF REVIEW: DIPALESENG MUNICIPALITY

Pursuant to section 32 of the local Government Municipal Systems Act of 2000 reads as follows:

"[1] [a] The Municipal Manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.

[b] The copy of the Integrated Development Plan to be submitted in terms of paragraph [a] must be accompanied by:

I. A summary of the process referred to in Section 29[1].

II. A statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement, and

III. In the case of a District and a local municipality a copy of the framework adopted in terms of section 27"

The Dipaleseng Municipality embarked on the process to review its Integrated Development Plan [IDP] as provided for in Section 34 of the Local Government Municipal Systems Act 32 of 2000. For this purpose a process plan as provided by in Section 28 of the said Act was adopted by the Council.

It was noted that the process followed in reviewing the IDP as referred to in section 32[1][b][1] of the Act as quoted above included:

- Various internal meetings held by management of Dipaleseng Municipality.

- Various Technical IDP meetings held with Municipal Managers of Local Municipalities and IDP Managers
- Technical meetings held with the Municipal Managers of local municipalities and their IDP Managers and representatives of the various Provincial Departments, Parastatals and NGO's.
- Community participation meetings and
- Councillors workshop

Details of the meetings held are included in the Municipal Process Plan

The process plan referred to above was also published for public notice and comments in the local circulated papers [herald]

It can therefore be categorically stated that the Dipaleseng Municipality complied with the requirements of the said Act by adopting a process plan as required by section 28 and the consultation as explained above.

A copy of the process plan referred to above is also included herewith for your perusal and information.

It is also confirmed that the Council of Dipaleseng Municipality adopted the reviewed Integrated Development Plan per Resolution **C166/06/ 2014** dated **12 June 2014**. In terms of section 32 of the said Act a copy of the reviewed Integrated Development Plan of Dipaleseng Municipality is attached hereto for information and perusal.

It will be appreciated if the Honourable MEC can acknowledge receipt of the Integrated Development Plan on the attached copy of this letter.

Kind regards

DV NGCOBO

MUNICIPAL MANAGER

I----------herewith acknowledge receipt of the Reviewed Integrated Development Plan of Dipaleseng Municipality.

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LIST OF ACRONYMS

GSDM	-	Gert Sibande District Municipality
AG	-	Auditor General
ASGISA	-	Accelerated Shared Growth Initiative for South Africa
CBD	-	Central Business District
COGTA	-	Co-Operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DHS	-	Department of Human Settlement
DLM	-	Dipaleseng Local Municipality
DOT	-	Department of Transport
EIA	-	Environmental Impact Assessment
EMF	-	Environmental Management Framework
EXCO	-	Executive Committee
FBS	-	Free Basic Services
GGP	-	Gross Geographical Product
GRAP	-	Generally Recognized Accounting Practice
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	-	Integrated Development Plan
IGR	-	Inter Governmental Relations
KPA	-	Key Performance Areas
LED	-	Local Economic Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council
MFMA	-	Municipal Finance Management Act
MPAC	-	Municipal Public Accounts Committee
MIG	-	Municipal Infrastructure Grant
MTEF	-	Medium-term Expenditure Framework
NDBG	-	Neighbourhood Development Partnership Grant
DLM	-	Dipaleseng Local Municipality
NRW	-	Non-Revenue Water
NSDP	-	National Spatial Development Strategy

PGDS	-	Provincial Growth Development Strategy
PMS	-	Performance Management System
PTO	-	Permission to Occupy
RSC	-	Regional Service Centre
SCM	-	Supply Chain Management
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TLC	-	Transitional Local Council
WCDM	-	Water Conservation Demand Management
WSDP	-	Water Services Development Plan
WWTP	-	Waste Water Treatment Plant

SECTION 1:
EXECUTIVE SUMMARY

1 INTRODUCTION

1.1 PURPOSE

This document presents an Integrated Development Plan (IDP) for Dipaleseng Local Municipality (DLM). The IDP is prepared in compliance with the requirements of Chapter 5, particularly Section 25 of Local Government Municipal Systems Act (32 of 2000), which obliges a Municipal Council to adopt a single, all inclusive and strategic plan for the development of the Municipality, within a prescribed period after the start of its elected term.

It outlines a development agenda for the Municipality for the next five years. The Dipaleseng Municipality has undertaken its third round of its IDP process after the inception of new Council after 18 May 2011 local government elections.

1.2 INTRODUCTION TO DIPALESENG MUNICIPALITY

Dipaleseng Local Municipality (DLM) is one of the seven local municipalities that make up Gert Sibande District. It is located on the northwest corner of Mpumalanga, and borders onto Gauteng and Free State Provinces to the west and south respectively. Lekwa and Govan Mbeki local municipalities are located along the Eastern and Southern boundary. It covers an area of approximately 2616.5km^2.

Total population in the DLM is estimated at 42 390 people spread unevenly among the six (06) wards with nearly 80% residing within the Dipaleseng Urban. Dipaleseng population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounts for 27% of the population. Dipaleseng accounts for 12% of the district population (Census 2011 figures).

The Municipal boundaries were delineated in terms of the Municipal Demarcation Act, (Act No. 27 of 1998) and takes into account population movement trends, regional economic patterns and current land use pattern. As such, the boundaries are not just administrative, but are also intended to promote social and economic development while also strengthening regional economic and functional linkages.

Dipaleseng is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in Balfour.

Dipaleseng centrally located in the Gert Sibande District region, of Mpumalanga halfway between Johannesburg and the harbours of Durban and Richards Bay, contributes to the export of manufactured goods, as well as for distribution to the Gauteng market.

Dipaleseng is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and Town Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing opportunities.

1.3 APPROACH AND METHODOLOGY

1.3.1 OBJECTIVES OF THE INTEGRATED DEVELOPMENT PLAN

The Dipaleseng Municipality IDP adopts a long term planning horizon, but also presents a short to medium term strategic agenda and a detailed five year programme commencing in 2011/2012 financial year and ending in 2016/2017 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle. The IDP is prepared in accordance with the requirements of the Municipal Systems Act and the associated regulations (refer to Box 1), and is intended to serve as a strategic guide for public sector investment and development generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. Its objectives are as follows:

Box 1: **Section 25 (1) of the Municipal Systems Act (2000)**

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;

b) Aligns the resources and Capacity of the municipality with the implementation of the plan;

c) Complies with the provisions of this Chapter; and

d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

- **To guide decision making in respect of service delivery and public sector investment.**
- **To inform budgets and service delivery programs of various government departments and service agencies.**
- **To coordinate the activities of various service delivery agencies within Dipaleseng Municipality area of jurisdiction.**

- **To engage communities and other key interested and affected parties in municipal affairs, particularly continuous integrated development process.**
- **To position the municipality to make a meaningful contribution towards meeting the District and Provincial development targets and priorities.**

1.3.2 SCOPE OF THE DIPALESENG IDP

In line with Section 26 of the Municipal Systems Act which prescribes the key components of an IDP, and the focus on development outcomes, Dipaleseng Municipality IDP is presented in four main sections as follows:

- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
- A strategic framework which outlines a Council long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies.
- A capital program including a one year program, three year program aligned to the Medium Term Expenditure Framework and the Five (5) Year Plan.
- Implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan.

The IDP will inform the Medium Term Expenditure Framework (MTEF), and guide the annual budget process. Chapter 4 Section 21 (1) of the Municipal Finance Management Act (MFMA) requires a municipality to align and sustain a close functional link between its IDP and the budget.

1.3.3 APPROACH

The approach adopted in the review of the IDP for the 2014/15 financial year was strongly guided by the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised MP IDP Framework Guide dated 12 February 2013. The guide pack advocates a process that is integrative, sustainable, issue driven, people centred, practical and action oriented.

1.3.3.1 PUBLIC PARTICIPATION

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA. At least four IDP Representative Forum meetings are proposed, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on municipal business generally. Budget/IDP Road shows also provided valuable input into the process. The review of the IDP over the next three years will also follow the same process.

1.3.6 COMMUNITY NEEDS PER WARD

WARD:1 DS SITHOLE	
SIYATHEMBA COMMUNITY HALL	**SIYATHEMBA PRIMARY SCHOOL**
Establishment of Recruitment Centre Quality of Drinking Water Land for Grazing Old housing Stock Dilapidated Centre of High Learning [FET] Build of Hospital Maintenance of Infrastructure	Increase water Pressure Upgrade sport facilities Remove waste regularly Upgrade Mofokeng Str access to Primary School Build Siyathemba Library
WARD:2 – NS NHLP0	
Establishment of Recruitment Centre Purchase of Land for Development Poverty alleviation initiatives Youth Development Programmes Maintenance of Infrastructure Provision of Houses	

WARD :3 RJ HALL	
BALFOUR CIVIC CENTRE	GSTAD MUNICIPAL OFFICES
Over Head Bridge on R51 Intersection with R23 Build of Hospital Develop of Shopping Centre/Mall Eradication of illegal Dumping Sites Centre of High Learning [FET] Maintenance of Infrastructure Stray livestock within Residential dwellings	
WARD:4 ML MAKHUBU	
BONUKUKHANYA PRIMARY SCHOOL	
Establishment of Recruitment Centre Provision of Basic Services Ext 6 Upgrading of Streets Promote ABET programme Build of Hospital Provision of houses	
WARD:5 TM TSOTETSI	
GROOTVLEI CIVIC CENTRE EXTI	**GROOTVLEI ESKOM CLUB EXT 2**
Formalisation of Portion of Ext 1 G/vlei Stray livestock within Residential dwellings Provision of housing Provision of Streets Names Provision of decent Sanitation] Build of Hospital Maintenance of Infrastructure Provision of cemetery	
WARD:6 TJ MAHLANGU	
Formalisation of Zenzele Upgrading of Sports fields Relocating 11 families on water locked area Extend Clinic operation hours (24hrs)	

Maintenance of Infrastructure

1.3.6.1 BUDGET PROCESS PLAN FOR 2013/2014 MULTI-TERM BUDGET

The schedule below indicates the process followed towards the preparation of the IDP and its alignment with the budget.

EVENTS	DATES	RESPONSIBILITY
Joint meeting for IDP, Budget and PMS for alignment purposes	18 July 2013	Manager IDP
MANCO to deliberate on IDP Process Plan	30 July 2013	Manager IDP
Submission of the Draft IDP Process Plan to COGTA	31 July 2013	Manager IDP
Draft Process Plan to EXCO for approval	21 August 2013	Manager IDP
Advertisement of the IDP Process Plan to members of the public	26 August 2013	Manager IDP
First IDP Representative Forum ▪ Presentation of the Process Plan ▪ The provision of feedback on the *status quo* and strategic framework components of the IDP. ▪ Training on IDP Guide Pack and PMS	27 September 2013	Manager IDP
Sector Departmental meeting	29 November 2013	Manager IDP
IDP Progress Report to MANCO	10 December 2013	Manager IDP
Tabling of the IDP Draft document to MANCO	29 February 2014	Manager IDP
Second IDP Representative Forum ▪ Presentation of the draft IDP and Budget ahead of the public participation process. ▪ Prioritized Projects and Programs ▪ Sector Plans Progress and finalization	20 March 2014	Manager IDP

Council adoption of draft IDP	26 March 2014	Manager IDP
Submission of draft IDP to COGTA	28 March 2014	Manager IDP
Provincial IDPs Assessment week	9 - 16 April 2014	Manager IDP
IDP/ Budget Road-shows	22 April 2014	Manager IDP
21 Days Advertisement Period for public comments	April - May 2014	Manager IDP
Final IDP Representative Forum for adoption. ▪ Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues. ▪ Recommendations by the IDP RF for adoption of the IDP by Council.	16 May 2014	Manager IDP
MANCO to deliberate on the Final Draft IDP document	20 May 2014	Manager IDP
EXCO to recommend IDP approval by Council	21 May 2014	Manager IDP
Special Council meeting to approve the final IDP document	29 May 2014	Manager IDP

1.3.7 BUDGET PROCESS PLAN FOR 2014/2015 MULTI-TERM BUDGET

DATE	ACTIVITY	RESPONSIBILITY
October 2013	Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2014/2015 financial year	**MM/BTO**
October 2013	**Budget Framework** Meeting the SED's to discuss budget process Preparation of budget framework to provide parameters and request budget inputs for 2014/2015	**BTO**
November 2013	**Completion of Salary Budget**	**BTO/HR**
November 2013	**Budget strategic workshop**	**CFO and Mayor**
December 2013	**Submit all Budget related policies for review.**	**BTO**
December 2013	**Prepare draft budget three year operational and capital budget.**	**BTO**
January 2014	**Report back on progress with Budget inputs.**	**BTO** **MANCO**
January 2014	**Review of proposed of National and Provincial allocations for incorporation into the draft budget.**	
January 2014	**Review of current budget and inputs for new budget**	**MANCO**
February 2014	• **Submission of Budget Inputs** Final date for SED's to submit departmental budget inputs. Proposed Capital projects from IDP • Accounting officer finalizes and submits to the Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-	**BTO/SED'S**

DATE	ACTIVITY	RESPONSIBILITY
	year review and any corrective measures proposed as part the oversight report for the previous years audited financial statements and annual report.	
February 2014	**Budget discussion document** **Compile discussion document from inputs and submit to EXCO and MANCO**	**BTO**
March 2014	**Budget Workshop** **Discussion of budget inputs, link capital and operational plans to IDP and determine proposed tariffs.**	**Executive Mayor** **MANCO**
March 2014	**Draft Budget** **Submit draft multi-term operational and capital budget to Council, National and Provincial Treasury, COGTA**	**CFO/BTO**
April 2014	**Public Consultation Process** **Public Consultation on draft budget throughout municipality**	**Executive Mayor** **CFO** **MM**
May 2014	**Respond to Public Comments** **Response to public comments and sector comments. Incorporate recommendations into draft budget if possible and feasible**	**Executive Mayor** **BTO** **MM**
29 May 2014	**Approval of Final Draft Budget** **Approve the draft multi-term operational and capital budget**	**COUNCIL**
June 2014	**Advertising** **Publication of approved budget. Place on municipal website.**	**MM** **BTO**
June 2014	**Submission of Budget** **Submit approved budget to National and Provincial Treasury and CoGTA**	**BTO** **MM**
June 2014	**Compile SDBIP** **Compilation of service delivery and budget implementation plan(SDBIP) 28 days after the approval of budget and submit to Council for approval**	**PMS** **Executive Mayor** **MM**

1.3.4.1 PUBLIC PARTICIPATION

Public participation in the review of the IDP and budget unfolded as follows:

STAKEHOLDER	VENUE	DATE	DAY	TIME
Ward 1	Siyathemba Hall	12/03/2914	Monday	17H00
Ward 1	Siyathemba Primary		Thursday	17H00
Ward 2	Siyathemba Hall			17H00
Ward 2	Sifisosethu Sec		Sunday	08H00
Ward 3	Balfour Hall			17H30
Ward 3	Gstad Municipal Offices			17H00
Ward 4	Bonukukhanya Primary		Sunday	14H00
Ward 5	Grootvlei Ext 1			17H00
Ward 5	Grootvlei Ext 2			17H00
Ward 6	Nthorwane			17H00

1.3.7.1 SECTOR DEPARTMENT INVOLVEMENT

In general, sector planning is very weak within South African Local Government system as municipalities are not getting recognition as development oversees within their areas of jurisdiction. As yet there is no effective legislation that makes it be compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities after through consultations with communities.

However, Dipaleseng Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved into the IDP process. The mechanism adopted was to engage sector departments on one-on-one basis in order to deal with specific issues affecting the municipality. Sector departments have also fully participated on the IDP Representative Forums held by the municipality throughout the year. As a result, the municipality has enjoyed working with the following departments and their participation has made a significant improvement of service delivery:

- **Department of Transport.**
- **Department of Co-Operative Governance and Traditional Affairs (COGTA).**
- **Department of Social Development.**
- **Department of Public Works.**
- **Department of Health.**
- **Department of Economic Development and Tourism.**
- **Department of Arts and Culture (Library and Museum sections).**
- **Department of Human Settlement.**
- **ESKOM.**
- **SASOL MINE**

1.3.7.2 ALIGNMENT WITH THE DISTRICT FAMILY OF MUNICIPALITIES

Various meetings were also held with the district family of municipalities to align the IDPs. The following is an indication of some of the key alignment issues addressed to date:

- **The IDPs of the Dipaleseng family are focusing on the outcome based IDP approach thereby incorporating the Key Performance Areas developed by National government.**
- **Both the SONA and SOPA have been incorporated into the IDPs.**
- **The Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and human settlement development (Outcome 8).**
- **The revised Municipal Turnaround Strategies have also been incorporated giving the emphasis on thorny issues which municipalities needed to improve service delivery.**
- **The PGDS has been incorporated as part of improving the alignment between the Province and Local Government.**
- **The IDPs have given emphasis on District Phezokomkhono Program and its associated impact to communities. Fighting poverty through job creation.**
- **The issues raised at COP 17 have also been incorporated. These include the implementation of solar energies and smart conventional meters on new housing development.**
- **The new settlement patterns will consider flood lines and implementation of disaster management centres.**

1.4 KEY DEVELOPMENT CHALLENGES

Although the DLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These can be summarised as follows:

- **The Balfour serves as an administrative and economic hub for the entire area part of Dipaleseng. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub.**
- **Rate of urbanisation in Dipaleseng has been very rapid, resulting in the development of settlements along the rail line in particular as linear settlements**

from Joe Slovo through Lindokuhle to Welasi section in the Nthorwane. This has further escalated to Grootvlei Ext 1; Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment.

- **The DLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following low density sprawl which is fuelled in the Balfour and Greylingstad by anti-Town values of suburbia which promotes large plots as an image of good urban living; cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block; and separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes.**
- **Over the last few decades, the economy of the Dipaleseng Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Dipaleseng as a mining town.**
- **The same applies to agriculture both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Trade and Retail remains the main economic activity in the DLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance.**
- **Huge backlogs in the delivery of public services have been identified as one of the key issues facing Dipaleseng Municipality. It manifests itself in the following forms poor condition of schools, poor access to institutions for early childhood education, poor access to health services which affects delivery of primary health care, and poor access to library services.**
- **The Dipaleseng Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Municipal area.**
- **The quality of the environment within the DLM requires an urgent attention. This is symbolized mainly by the deteriorating quality of water, poor air quality due to emissions, urbanization, waste collection, disposal and general lack of active open space in the DLM.**

- **Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.**
- **Poverty manifests itself in different dimensions with income poverty and human poverty being the most common.**

1.5 LONG-TERM DEVELOPMENT VISION

The DLM long-term development vision was formulated within the context of the Natiotional and Provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint committment by the local leadership, municipal administration and the local communities to make Dipaleseng a better place and improve the quality of life for those who work and/or live in the DLM.

The vision is based on the following overarching prinicples:

- **Sustainability.**
- **Integrated development.**
- **Equitable access to basic services and public facilities.**
- **Efficient and effective delivery of services.**
 - **“PROVIDE QUALITY AFFORDABLE SERVICE AND GOOD GOVERNANCE”**

1.6 DEVELOPMENT STRATEGY

Dipaleseng Local Municipality development strategy is based on a long-term vision, but acknowledges the significance of issues that needs to be addressed in the short to medium term. As such, the municipality has formulated development goals that seeks to address the challenges facing the institution currently and reposition the area in a development path as follows:

- **To develop Dipaleseng as a service and industrial hub.**
- **To eradicate all forms of poverty and destitution/indigence.**
- **To be an example of service and governance excellence.**
- **To improve the quality of life.**
- **To achieve environmental sustainability.**
- **To promote gender equality and empowerment.**

In the short to medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accellerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:

- **Spatial integration and environmental sustainability:** Particular focus will be paid on developing systems and procedures for effective land use and environmental management.
- **Local Economic Development:** The municipality has a responsibility to create a climate conducive for public and private sector investment. As such, the municipality is committed to work with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service and industrial sectors.
- **Service delivery and infrastructure development: The DLM is the sphere of government that is closer to the communities. This bestows a huge responsibility to delivery services where the municipality is directly responsible and coordinates the delivery of services that fall outside the constitutional obligations of the municipality.**
- **Municipal transformation and organisational development: The attainment of development goals as outlined above requires the municipality to establish effective systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.**
- **Municipal financial viability and management: Funds will be a critical input in process towards the attainment of the above-outlined goals. As such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is ability to account for the use and disbursements of public funds.**
- **Good governance and public participation: The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.**

1.7 INTENDED IMPACT

Everything that the Dipaleseng LM does should be done to impact as much as possible on the social and economic development of the area. In particular, the municipality will provide services that meet the basic needs of the poor in their communities in a cost-effective and affordable manner. This could be achieved in two ways:

- **The DLM will provide some relief for the poor. Government policy is to provide a free basic amount of service for particularly water and electricity to households that otherwise do not have access to these services. The DLM will also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.**
- **The DLM will work in partnership with local business to improve job creation and investment. It is not the role of the DLM to create jobs but it will take active steps to improve the conditions in the area for the creation of employment opportunities. This includes preferential procurement of services.**

The DLM as a developmental local government will provide leadership to all those who have a role to play in achieving local prosperity. The IDP is a critial tool in this regard.

Municipal Councils such as the DLM play a central role in promoting local democracy. In addition to representing community interests within the Council, councillors will ensure that citizens and community groups are involved in the design and delivery of municipal programmes. Ward committees and community consultation are important ways of achieving greater involvement.

The municipality will also provide support to individual and community initiatives, and direct them to benefit the area as a whole. The involvement of youth organisations in this regard is particularly important.

1.8 PERFORMANCE MEASUREMENT

The municipality has developed an organisational Performance Management System to monitor the implementation of the IDP, and provide for corrective measures where there is insufficient progress. The PMS is based on a policy framework and covers the whole organisation. The following are some of the key aspects of this systems:

- **Performance contracts which include performance plans for all section 56 employees.**
- **Service Delivery and Budget Implementation Plan.**
- **Annual report.**
- **Quarterly performance reviews.**

Performance is measured against set targets.

SECTION B:
PLANNING AND DEVELOPMENT PRINCIPLES

2 POLICY REVIEW

Planning and development in the DLM occurs within the National and Provincial policy framework, and provides for the implementation of the priorities as outlined in these documents.

2.1 NATIONAL POLICY FRAMEWORK

2.1.1 NATIONAL DEVELOPMENT PLAN

The national development vision is outlined in various National policy documents, and consolidated in the National Development Plan (NDP).

In May 2010, President Jacob Zuma appointed the National Planning Commission to craft a vision and National Development Plan for the Republic of South Africa. The National Planning Commission crafted the National Vision Statement which reads as follows:

> ***"We, the people of South Africa, have journeyed far since the long lines of our first democratic election on 27 April 1994, when we elected a government for us all. Now in 2030 we live in a country which we have remade".***

The national plan is presented in 15 chapters, addresses the major thematic areas in detail, and provides clear recommendations and clear implementation frameworks.

The plan focuses on the critical *capabilities* needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

The Plan set out clear objectives and targets which read as follows:

- **The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.**
- **Broaden the expanded public works programme to cover 2 million fulltime equivalent jobs by 2020.**
- **The labour force participation rate should rise from 54% to 65%. Reduce the cost of living for poor households and cost of doing business through microeconomic reforms.**
- **The proportion of people with access to the electriTown grid should rise to at least 90% by 2030, with non-grid options available for the rest.**

- **A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.**
- **Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).**
- **An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.**
- **Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.**

The National Development Plan requires the local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels the local government to be service delivery oriented in ensuring that the following is achieved:

- **A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.**
- **Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).**
- **An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.**
- **Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.**
- **Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, service to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.**
- **Strong and efficient spatial planning system, well integrated across the spheres of government.**
- **Upgrade all informal settlements on suitable, well located land by 2030.**
- **More people living closer to their places of work and Better quality public transport.**
- **More jobs in or close to dense, urban townships.**
- **Develop a strategy for densification of cities and resource allocation to promote better located housing and settlements.**

- **In 2030 people living in South Africa feel safe and have no fear of crime. They feel safe at home, at school and at work, and they enjoy an active community life free of fear. Women can walk freely in the street and the children can play safely outside.**

The aim of the Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

2.1.2 NATIONAL OUTCOMES

The IDP adopts an outcome based approach in line with the national government priorities and the associated 12 outcomes (refer to Box 2 below). Early in the National Cabinet adopted twelve outcome areas that collectively address the main strategic priorities of government. The strategic objective of the outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Box 2: 12 National Outcomes

- an improved quality of basic education
- a long and healthy life for all South Africans
- all South Africans should be safe and feel safe
- decent employment through inclusive growth
- a skilled and capable workforce to support an inclusive growth path
- an efficient, competitive and responsive economic infrastructure network
- vibrant, equitable, sustainable rural communities with food security for all
- sustainable human settlements and an improved quality of household life
- a responsive, accountable, effective and efficient local government system
- environmental assets and natural resources that are well protected and enhanced
- a better Africa and a better world as a result of South Africa's contributions to global relations
- an efficient and development-oriented public service and an empowered, fair and inclusive citizenship.

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes has been concluded between the President and national ministers. The Government outcome nine commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is efficient, effective, responsive and accountable. In line with Outcome 9 (refer to Box 3), Dipaleseng Municipality IDP responds directly to issues facing the area and its communities, render local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore alignment with the relevant sector frameworks and programmes across the spheres of government is critical.

2.1.3 LOCAL GOVERNMENT OUTCOME 9

The National government has adopted an Outcomes Based Approach to development as a means to focus government initiatives and manage public expectations. Based on the Medium Term Expenditure Framework (MTEF), 12 outcomes have been identified (refer to Box 2). Outcome 9 deals with local government and affects Dipaleseng Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective and efficient local government system that is part of a developmental state. The government has identified the following outputs for Outcome 9:

- **Output 1: Implement a differentiated approach to municipal financing, planning and support.**
- **Output 2: Improving access to basic services**
- **Output 3: Implementation of the Community Work Programme**
- **Output 4: Actions supportive of the human settlement outcome**
- **Output 5: Deepen democracy through a refined Ward Committee Model**
- **Output 6: Administrative and financial capability**
- **Output 7: Single window of coordination.**

Box 3: Outputs for Outcome 9

1. Output 1: Implement a differentiated approach to municipal financing, planning and support
2. Output 2: Improving access to basic services
3. Output 3: Implementation of the Community Work Programme
4. Output 4: Actions supportive of the human settlement outcome
5. Output 5: Deepen democracy through a refined Ward Committee Model
6. Output 6: Administrative and financial capability
7. Output 7: Single window of

2.1.4 THE STATE OF THE NATION ADDRESS (SONA) - 2013

The President reported on progress made since the last State of the Nation Address and also to outline a programme of action for 2014. The focus was to look at the five priorities – education, health, the fight against crime, creating decent work as well as rural development and land reform.

Last year, the President addressed the nation on government's infrastructure plans. By the end of March this year, starting from 2009, government will have spent about 860 billion rand on infrastructure. Various projects are being implemented around the country and these are as follows:

- **The construction of the first phase of the Mokolo and Crocodile River Water Augmentation has commenced and it will provide part of the water required for the Matimba and the Medupi power stations.**
- **The construction of the bulk water distribution system for the De Hoop Dam began in October 2012, to supply water to the Greater Sekhukhune, Waterberg and Capricorn district municipalities.**
- **In the energy sector, Eskom has now laid 675 kilometres of electriTown transmission lines to connect fast-growing economic centres and also to bring power to rural areas.**
- **The State has to shift the transportation of coal from road to rail in Mpumalanga, in order to protect the provincial roads. Thus the construction of the Majuba Rail coal line will begin soon.**
- **Government has also committed to improve the movement of goods and economic integration through a Durban-Free State-Gauteng logistics and industrial corridor.**
- **The government has established an 800 million rand national green fund last year. To date, over 400 million rand investments in green economy projects has already been approved for municipalities, other organs of state, community organisations and the private sector across all provinces.**
- **The State has also rolled out 315 000 solar water geysers as of January this year, most of which were given to poor households, many of whom had never had running hot water before. The government has scored successes in extending basic services through the infrastructure programme. Close to 200 000 households have been connected to the national electriTown grid in 2012.**
-

The President speech also draws attention of the Census 2011 which outlined the successes in extending basic services. The report said the number of households with access to

electriTown is now at 12.1 million, which translates to 85%. Nine out of 10 households have access to water.

Construction is expected to begin in September at the sites of two new universities in the Northern Cape and Mpumalanga.

The infrastructure development programme has been a valuable source of learning for government. In the year ahead, the State will ensure the fast-track of many of the projects that the PICC has announced. The lessons are that we must coordinate, integrate and focus on implementation.

The past two years have demonstrated that where the state intervenes strongly and consistently, it can turn around key industries that face external or internal threats as has happened in our manufacturing sector. The clothing, textiles and footwear industry has stabilised after 15 years of steadily falling employment. A clothing support scheme provides broad financial support, saving a number of factories and jobs.

Government has several programmes of supporting small business. A key project for the Presidency currently is to get government departments to pay SMMEs within 30 days. In the 2010 State of the Nation Address, the President announced the Job fund, and three billion rand has been approved for projects that will create jobs. Departments are required to submit monthly reports so that progress can be monitored in this regard.

Just over a third of the population is under the age of 15. Our country, like many others, has a crisis of youth unemployment. Last May the President asked constituencies at NEDLAC to discuss youth employment incentives. The President is pleased that discussions have been concluded and that agreement has been reached on key principles. The parties will sign the Accord later this month.

State owned companies provide apprenticeships and Learnerships ’and are urged that these be increased. We appeal to the private sector to absorb 11 000 FET graduates who are awaiting placements. The Department of Rural Development and Land Reform runs the National Rural Youth Services Corps, which has enrolled 11 740 young people in various training programmes. The Department is also planning nine Rural Youth Hubs per province, including in the 23 poorest districts in the country.

The State will also use the Expanded Public Works Programme and the Community Work programme to absorb young people. Tourist arrivals grew at an impressive 10.7% between January and September 2012, which is higher than the global average of 4% for last year. Mining, which is historically the backbone of the economy, has faced difficulties in recent months.

In particular, the government agreed to work together to strengthen collective bargaining; to address the housing problems in the mining towns; to support the National infrastructure Programme; to address youth unemployment; and to identify measures to reduce inequalities.

In last year's address the President raised the issue of the gap market, the people who earn too much to qualify for an RDP house and too little for a bank mortgage bond. From April 2012 to December 2012, Provincial Departments committed a budget of 126 million rand of the Human Settlements Development Grant for this programme, known as the Finance Linked Individual Subsidy programme. The money is being used through the National Housing Finance Corporation, which has been appointed to deliver houses to people within the Gap market in twelve registered projects.

From 1994, government has been addressing the land reform problem through restitution, redistribution and tenure reform. The President made a strong point on the following;

"When we do the redistribution we need to be mindful of food security. Training and mentorship of emerging black commercial farmers must take place".

In some of the social networks such as emails, Facebook and twitter the President received a strong message which read as follows "I urge you to accelerate redistribution of the land to the landless African people.

As stated before, we will not be able to meet our redistribution targets. Government's mid-term review last year revealed a number of shortcomings in our land reform implementation programme. The State will use those lessons to improve implementation. Another key lesson is to provide adequate post-settlement support to new landowners so that land continues to be productive. The State also needs to provide better incentives for commercial farmers that are willing and capable of mentoring smallholder farmers.

The government should also remain mindful of rapid urbanisation that is taking place. The Census Statistics reveal that 63% of the population are living in urban areas. This is likely to increase to over 70% by 2030.

Apartheid spatial patterns still persist in our towns and cities. Municipalities alone cannot deal with the challenges. Therefore, there is a need for a national approach. While rural development remains a priority of government, it is crucial that we also develop a national integrated urban development framework to assist municipalities to effectively manage rapid urbanisation. As part of implementing the National Development Plan, all three spheres of government need to manage the new wave of urbanisation in ways that also contribute to rural development.

2.2 PROVINCIAL POLICY FRAMEWORK

2.2.1 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

The Mpumalanga Province development vision is outlined in the recently introduced Provincial Growth and Development Strategy (PGDS). The PGDS is a primary strategy for Mpumalanga Province that drives growth and development in the Province to 2030. It provides the Province with a rational strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments (PGDS, 2011).

Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The DLM IDP is formulated within the framework of the PGDS and is fully aligned with the provincial development goals.

STRATEGIC GOALS	MP PGDS STRATEGIC FRAMEWORK	STRATEGIC OBJECTIVE
1. JOB CREATION		
2.HUMAN RESOURCE		
3.HUMAN &COMMUNITY DEVELOPMENT		
4.STRATEGIC INFRASTRUCTURE		
5.RESPONSE TO CLIMATE CHANGE		

The PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the Mpumalanga Province progressively towards the attainment of the 2030 development vision. These goals and objectives are as relevant for Dipaleseng Municipality as they are for the Mpumalanga Province. This is despite some not being direct functions of local

government. Goal 3 to goal 7 all forms an integral part of local government agenda and focus areas for the Dipaleseng Municipality.

2.2.2 THE STATE OF THE PROVINCIAL ADDRESS (SOPA) - 2013

The Speech by the MP Premier was embedded upon the State of the Nation Address last year, when President Jacob Zuma elaborated on the triple challenge of poverty, unemployment and inequality. He called on all of us to work together to respond decisively to bring about a better life for all our people. The Government has always recognized the critical contribution that has to be made by Mpumalanga Province for the whole of our country to move forward and, critically, meet the Millennium Development Goals as we progress to realize our vision for South Africa by the year 2030.

"South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. This requires a new approach – one that moves from a passive citizenry receiving services from the State to one that systematically includes the socially and economically excluded, where people are active champions of their own development, and where government works effectively to develop people's capabilities to lead the lives they desire. The success of this approach is premised on:

- **The active efforts and participation of all South Africans in their own development Redressing injustices of the past effectively.**
- **Faster economic growth and higher investment and employment.**
- **Rising standards of education, a healthy population and effective social protection.**
- **Strengthening the links between economic and social strategies.**
- **An effective and capable government.**
- **Collaboration between the private and public sectors.**
- **Leadership from all sectors in society"**

The Province contribution to the National Plan is expressed in its Vision, namely to ensure that: "By 2030 the Province of Mpumalanga will be a prosperous Province, with healthy, skilled and secure people, acting as a gateway to Africa and the world".

2.2.2.1 BUILDING THE ECONOMY AND CREATING JOBS

Though South Africa was affected by the global economic downturn, declining from 2.7% to 1.2% in the last quarter; it remains resilient because it has its own strengths as indicated recently by Finance Minister Pravin Gordhan. While South Africa as a country faces a challenge of how to position itself in the context of shifting global economic power, Mpumalanga Province has a responsibility to build its own economy and make its contribution in growing our national economy.

As a Province we therefore accept that for the country to create 11 million new jobs by 2030, Mpumalanga Province will have to create 2.1 million jobs. To achieve this, we have to ensure that the Mpumalanga Province economy grows at an average of at least 4% per annum between now and 2030.

Mpumalanga Province has been affected by these global and national trends, and in the third quarter the growth was reduced from 2.1% to 1.8%. Despite massive investment and numerous jobs being created in several sectors, there are some sectors that have continued to shed jobs, consequently unemployment moved from 19.3% last year to 22.5% this year, according to the South African Labour Force Survey.

As part of the NDP, Government has initiated the Strategic Infrastructure Projects that will be implemented between now and the year 2030; with investment of R3- trillion from the public fiscus and private sector, and creating millions of jobs while providing services and building the economy. Included in the Provincial budget this year is a capital budget estimated at R13-billion to initiate new and maintenance of completed projects.

2.2.2.2 INFRASTRUCTURE, TRANSPORTATION AND LOGISTICS

The President announced 18 Strategic Integrated Projects (SIPS), all but three of which involve Mpumalanga Province. The development of the Dig-Out Port and the concomitant development of the Durban – Free State – Gauteng Logistics and Industrial Corridor forms part of the Strategic Integrated Projects. Approximately R100-billion will be invested in this development, and the acquisition of land involving the transfer of approximately 641 hectares valued at R1, 85 billion is in progress.

2.2.2.3 PORTS

The projected increase of Capacity of the Durban Ports will move from 2.7 million containers (TEUs) to 30-million by 2040. Transnet has allocated R131-billion for the ports upgrade programme country-wide aimed at improving the container handling rate. To cope with such volumes, more work is underway to develop an inland port in the area of Cato Ridge. With the increase in activity as well as the current expansion projects at the Durban and Richards Bay harbours, the sector will continue to experience high growth rates.

2.2.2.4 DEVELOPMENT OF REGIONAL AIRFIELDS

Mpumalanga Province has four regional airports which are being revamped as infrastructure to support and boost local economic development in those pursuant to the MP Airport Strategy adopted by Cabinet in 2012. These are Oribi Airport 6 (Pietermaritzburg); Margate on the South Coast; Prince Mangosuthu Buthelezi Airport in Ulundi in Zululand; and Mkuze.

A new daily flight has been launched by Federal Air between Ulundi and Pietermaritzburg. There are significant cost-savings to the business community and enhanced revenue collection for the municipality as a result of the improved Oribi Airport.

2.2.2.5 EXPANSION OF COAL RAIL LINK

The rail link is planned to open access for coal mined in Limpopo, and parts of the rail will go through Swaziland to Richards Bay. Transnet is proceeding with investment of R31.6-billion to upgrade the coal export line to 81-million tons per annum (mtpa) and then to 97 mtpa.

2.2.2.6 PASSENGER RAIL

The most significant development was the appointment by PRASA in December2012 of Bombardier Africa Alliance Consortium to undertake the replacement of the old, out-dated signaling system with a modern, electronic inter-locking system in the Ethekwini Metrorail commuter rail network. PRASA is making a total investment ofR2-billion over the next five years. The new signal system will result in increased Capacity and safe movement of frequent and faster trains. The R1.3-billion construction work on the Bridge Town Project, the completed station and rail link to the Duffs Road Station is progressing as planned. PRASA has already spent over R1.1-billion of its investment over the past 18 months, including on the work in Duffs Road.

A total of 10 stations were completed under this programme this year to the tune of just over R34-million. The stations are Havenside, Seaview, Poet's Corner, Umkomaas, Dipaleseng, Ladysmith and Westcliff, with Island and Wentworth on practical completion. These improvements include lighting, ablution facilities, fencing, ticket offices, etc.

2.2.2.7 EXPANDED PUBLIC WORKS PROGRAMME

Mpumalanga Province has to date created 89 455 full-time equivalent employment (FTE's) and 324951 work opportunities. We have been commended by the National Department of

Public Works as the top beneficiary of the incentive grant totaling of R165.14-millionand growing since 2009. Part of the strategic infrastructure projects involve education and health infrastructure. The Department of Public Works has been given three years to build their Capacity and take over after the end of the contract. The services of this team will be offered to municipal councils where lack of Capacity is a cause of concern.

2.2.2.8 HUMAN SETTLEMENTS

The dream of a better life for the people of the Province can never be realized without a roof over their heads. The SA Bill of Rights enjoins us to ensure that the citizens of Mpumalanga Province have access to decent housing. In this regard, since 2009 the Province through the Department of Human Settlement has produced 85 733housing units with urban and rural spread as well as upgrading 6 386 units in slum clearance programme. To address the gap market, attempts have been made a further 19 422 units available through the Enhanced Extended Discount Benefit Scheme Refurbishment. The project-linked subsidies has made it possible for another 16 142 units to be provided. This year the Department of Human Settlement will provide 2500 subsidies for middle income earners. Numerous job opportunities have been created.

2.2.2.9 ENERGY

In 2009 (March) 74.16 % of households in the Province had access to electriTown (household connection). In 2012, this had risen to 76.69%. The backlog remaining is approximately 575 000 households. The Census 2011 dataset indicates 78 %access. Eskom reports that the eradication of all the electrification “islands” (households that were omitted during electrification) is in progress. In addition, projects are in the process of construction to provide a further 8 725 consumers with an electriTown connection. These will be completed by 2014 at a cost of approximately R240-million. With a total of almost 22 000 connections, the “island” eradication programme will be completed in 2015/16.

2.2.2.10 WATER AND SANITATION

In 2009 (March) 78.3 % of households in the Province had access to piped water within 200 metres of their dwelling (or higher level of service). In 2012, this had risen to 83.47%. The backlog remaining is approximately 400 000 households. The Census 2011 dataset indicates 86 % access. This includes households with access to piped water in excess of 200 meters from the dwelling. In 2009 (March) 76.18 % of households in the Province had access to sanitation (ventilated approved pit latrine or better). In 2012, this had risen to 80.36%.

The backlog remaining is approximately 480 000 households. The Census 2011 data set indicates 88 % access. Regional Bulk Infrastructure Projects, including construction of dams,

are under way with a total value R2.183-billion, to provide people with an assured supply of potable water, resulting in 3631 direct project construction jobs.

2.2.2.11 BUILDING SMMES AND CO-OPERATIVES

The role of small entrepreneurs in building our economy and provision of job opportunities has been well established. It is also clear that the challenges faced by the small business sector require more drastic action to make them successful. This sector must be built and supported to create hundreds of thousands of jobs, as the case is in many countries.

2.2.2.12 RURAL DEVELOPMENT AND AGRICULTURE

Rural development is aimed at ensuring food security for all rural and peri-urban households as well as creating a vibrant rural economy and sustainable lives for people in the rural areas by providing them with appropriate technology, skills development and building an asset base.

It is estimated that a third of MP's total land cover is under the custodianship of the Ingonyama Trust land is categorized as predominantly rural in context and which covers areas where high poverty levels prevail. This area has poverty levels estimated to be as high as 49.5% and youth unemployment as high as 42%. It is therefore imperative to channel new development opportunities to these relatively deprived and sometimes remote rural areas by opening access to land for development and to support rural communities to become active partners in the development of their land.

The work of the Provincial Planning Commission has also contributed significantly to important breakthroughs and progress made with the promotion of security of land tenure in both the urban and rural context. A process has been initiated with the Department of Rural Development and Land Reform to resolve obstructions to the passing of freehold land ownership to persons in the former black townships. A close working relationship has been established with the Ingonyama Trust and the Provincial Planning Commission.

Through this process the Province hope to be able to proceed with the formalisation of planning and promoting security of tenure in key rural service development nodes.

2.2.3 OPERATION CLEAN AUDIT - 2014

In the Provincial Operation Clean Audit, the Provincial Government offers assistance to municipalities to improve audit outcomes. COGTA and Treasury focus strongly on engagement with political and administrative leadership of poor performing municipalities. This will be more so for the 7 municipalities that received disclaimers.

2.2.4 OPERATION PHEZOKOMKHONO

Operation Phezokomkhono (OPK) is a strategy to integrate departmental programmes and deliver jointly on outcomes since success depends on several departments cooperating. It has ensured that services are brought together at the level of communities in the wards and empowers communities to discuss with various government officials who do not necessarily work at ward levels in a venue designated as WAR ROOM. This strategy has been implemented to coordinate the efforts of various sectors and mobilize society for a common purpose.

Dipaleseng Municipality has launched the Provincial Phezokomkhono program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Dipaleseng. Operation Phezokomkhono Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province.

The formulation of this 3rd Generation IDP has adopted the principles of Operation Phezokomkhono Program thereby establishing partnerships with the local community and getting involved into War Rooms. Operation Phezokomkhono has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government...therefore delivery of services is required through partnership with community, stakeholders and government.

Dipaleseng Municipality has ensured that all 60 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Phezokomkhono is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people are serving.

This is at ward level, translating to all 06 wards and all households within the Dipaleseng area of jurisdiction. The Mpumalanga provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following Provincial departments have been prominent in spearheading the Operation Phezokomkhono program in Dipaleseng Municipality. These include; Department of Health, Education, Sports and Recreation, Social Development, Office of Premier and Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

SECTION C:
CURRENT SITUATION ANALYSIS

3 STATUS QUO ANALYSIS

Future development within Dipaleseng LM should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the Provincial and National development imperatives.

This section provides a detailed analysis of the current development situation within the DLM. It is structured substantially in accordance with the Key Performance Areas (KPA), but also considers issues that are pertinent to Dipaleseng Municipality. The national KPA's are as follows:

- **Social and Economic Development. [LED]**
- **Infrastructure Development (service delivery).**
- **Institutional Development and Corporate Governance.**
- **Financial Management.**
- **Democracy and Good Governance.**
- **Spatial Planning and Environment**

3.1 SOCIO-ECONOMIC PROFILE

3.1.1 DEMOGRAPHIC PROFILE

3.1.1.1 POPULATION SIZE AND GROWTH PATTERNS

The official government figures reflected in the 2011 census data estimates the total population of the DLM to 42 390 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is noted that between 1996 and 2001, population increased by 2.93% per annum. This means that although the population continues to increase, rate of growth is declining.

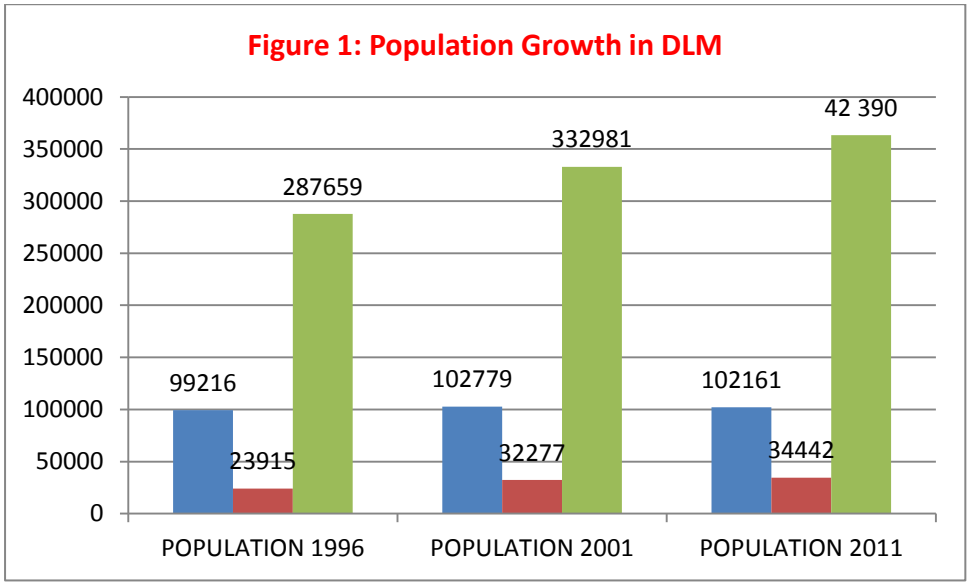
Table 1: Population Size – Dipaleseng Municipality and Gert Sibande District.

TOTAL POPULATION BY MUNICIPALITIES	TOTAL POPULATION		% PUPULATION GROWTH P/A	
	2001	2011		
Dipaleseng LM	38 981	42 390	2.93	0.87
GSDM				

Source: Stats SA, 2011 Census Data

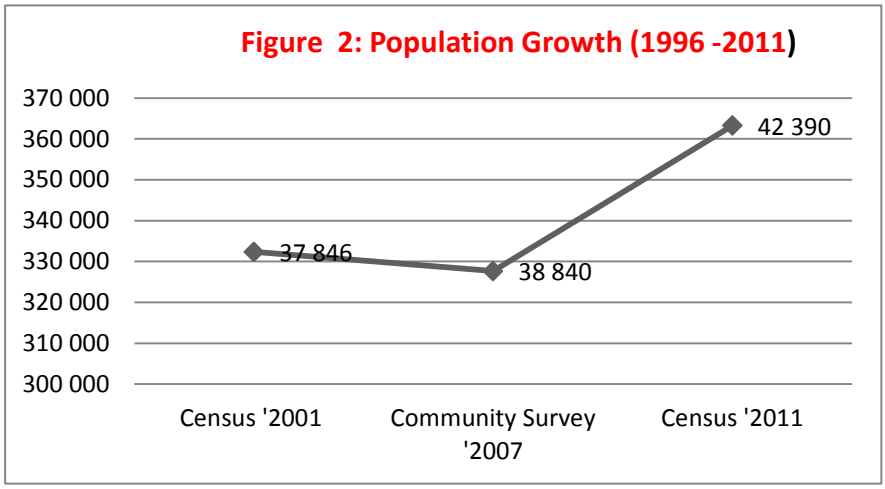
This trend is characteristic of the whole district with municipalities such as Pixlely ka Seme recording a negative growth rate. Population growth rate in Dipaleseng is above district average of 0.66% making Dipaleseng the fastest growing municipality in the district in terms of population.

Dipaleseng accounts for 12% of the district population. 20% of the district population resides in Siyathemba while only 7% is found in Nthorwane Municipality.



Source: Stats SA, 2011 Census Data

As indicated in Figure 1 above and 2 below, population growth rate in Dipaleseng is in an upward trajectory with the majority of the growth occurring mainly in the eastern areas – around Siyathemba and Nthorwane Townships. These are largely underdeveloped areas occupied mainly by low income and poor communities.



Source: Stats SA, 2011 Census Data

Current population movement patterns in the region suggest that the urbanisation phenomenon continues with factors such as natural growth rate, breakdown in extended families and in-migration being the main drivers. In-migration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland and general decline in employment opportunities in the agricultural sector. Over the last ten years, Dipaleseng agricultural regional has registered a net decline in both production and employment opportunities.

3.1.1.2 HOUSEHOLD SIZE

Similarly, Dipaleseng accounts for the majority (12 435) households found within Gert Sibande District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in Dipaleseng Municipality. Average household size is 4.3 people which suggest a slight decline in average household size from recorded in 2001. Table 2: Population Size – Dipaleseng Municipality and Gert Sibande District.

DISTRIBTION OF HOUSEHOLDS BY MUNICIPALITIES	NUMBER OF HOUSEHOLDS		AVERAGE HOUSEHOLD SIZE		FEMALE HEADED HOUSEHOLDS %	
	2001	2011	2001	2011	2001	2011
Dipaleseng	9164	12 435	4.6	4.3	45.1	47.5
GSDM	96670	110963	4.8	4.5	44.9	47.6

Source: Stats SA, 2011 Census Data

The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011 in line with the district average of 4.7.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

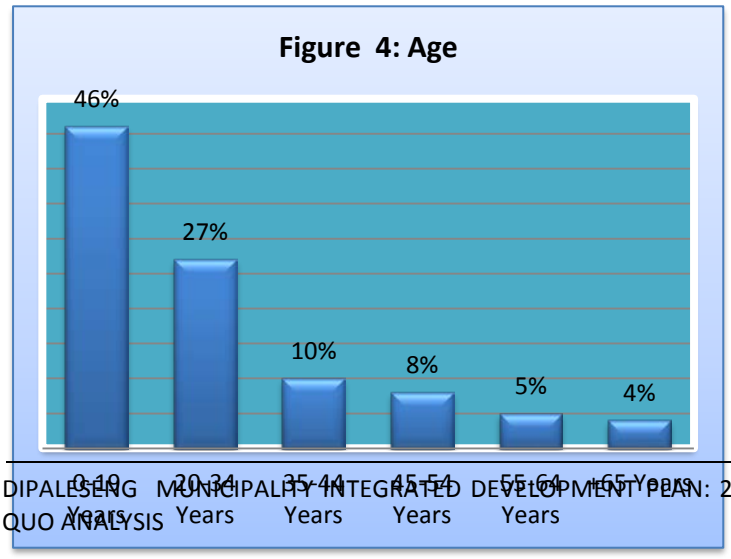
3.1.1.3 POPULATION DISTRIBUTION BY WARD

The population of Dipaleseng Municipality is unevenly distributed amongst six (06) municipal wards; with ward 04 being the most populated ward followed by ward 01 and ward 2. Ward 03 is the least populated.

The main settlement areas that are found in ward 05 include Grootvlei Ext 1 &2 Eskom Power Station Industrial Area. Ward 03 comprises of the Industrial Area, and parts of Balfour residential area. Ward, 2; 3; 5 and 06 are mainly a rural ward with settlements such as Sthandiwe, Sophia Trust, Zone 07 and a number of farmlands with different rural settlements.

Source: Stats SA, 2011 Census Data

3.1.1.4 AGE

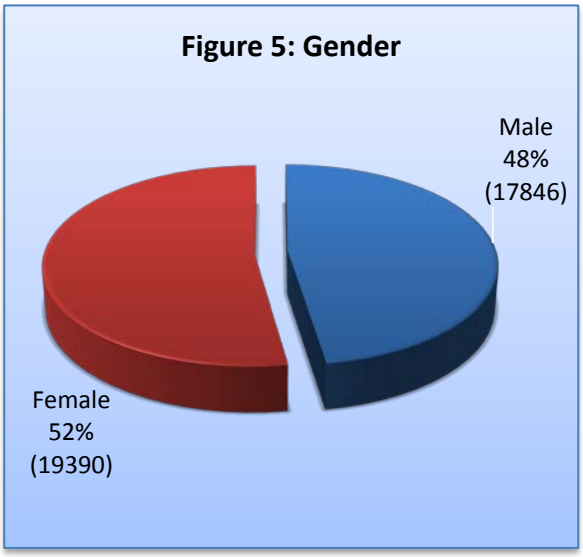


Dipaleseng population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounts for 27% of the population. This puts pressure on the provision of educational facilities, social welfare, health services and the stimulation of the

economy to provide job opportunities and economic development. In-migration of the youth and economically active population implies an increasing need for recreation, educational facilities and employment opportunities.

3.1.1.5 GENDER

52% of the population is female while males account for the remaining 48%. This gender distribution conforms to the National norm. Thus the need for programmes specifically targeted to gender equity is critical. In response to this, the Dipaleseng Municipality has prioritized Gender issues as part of its Special Programmes. Specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.



3.1.1.6 HIV AND AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number of initiatives has been implemented through the National Department of Health to combat the current epidemic however major challenges still remain. Within Dipaleseng, the number of HIV positive persons has increased at an average annual growth rate of 2.9% between 2000 - 2010, bringing the percentage of the population with HIV to almost 60% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% between 2000 – 2010, with

AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.

3.1.2 SOCIO-ECONOMIC PROFILE

MUNICIPALITIES	NO SCHOOLING		HIGHER EDUCATION		MATRIC		PRIMARY EDUCATIONAL ENROLMENT AGED 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
Dipaleseng	13.3	7.0	8.2	4.4	25.8	32.8	90.9	94.7
GSDM	16.1	7.8	7.0	3.7	23.1	30.5	91.0	94.6

3.1.2.1 EDUCATION PROFILE

Education profile of the population shows significant improvement since 2001. The number of people who do not have any formal education declined from 13% in 2001 down to 7.8% in 2011. This was coupled by a substantial increase in the number of people with secondary education (Metric) from 25.8% to 32.8% during the same period. However, a low representation of people with higher education is worrisome as this category has recorded a remarkable decrease from 8.2% in 2001 to 4.4% in 2011. This phenomenon could be attributed to the general lack of tertiary institutions and employment opportunities in the area. It limits the ability of the area to attract and keep highly qualified people.

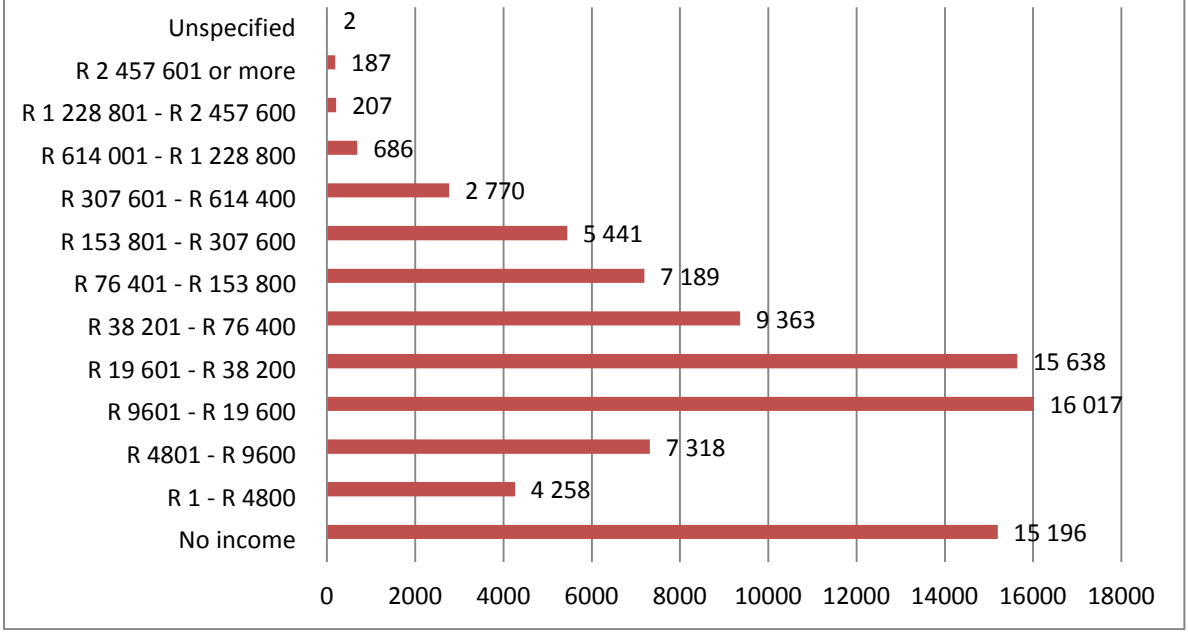
Source: Stats SA, 2011

The number of children between 6 and 13 years of age enrolling for primary education has increased from 90.9% in 2001 to 94.7% in 2011.

Table 3: Education Profile (20 Years of Age and Above)

3.1.2.2 INCOME PROFILE

Figure 6: Annual Household Income



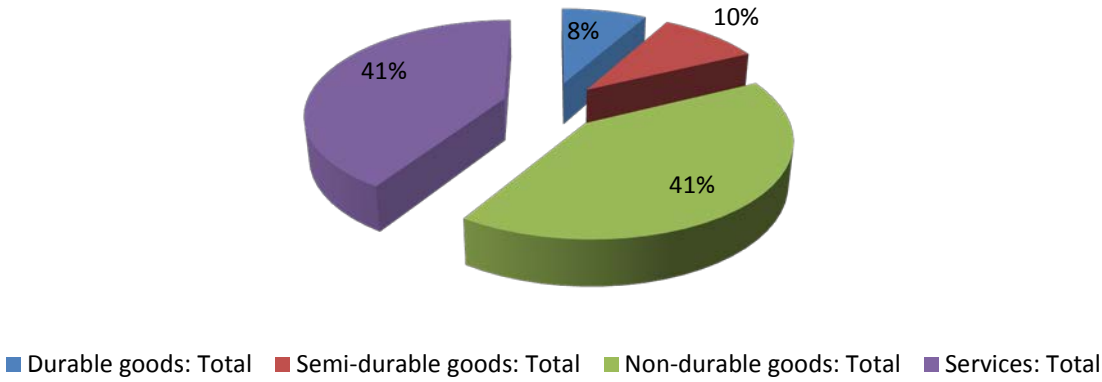
Source: Stats SA, 2011

Dipaleseng Municipality has a generally low income population with a large number of people (R15 196) living in abject income poverty as they do not have a reliable source of income. Those who earn some income earn less than R38 200 per annum or R3 183.33 per month. Dependence on grants funding such as welfare grants and pension is also relatively high. As indicated figure 6 above, the level of representation drops sharply as income brackets increases. As a result, affordability level is generally low while dependency on social grants is high. 22000 people applied to be registered on the indigent list for the municipality in 2010.

3.1.2.3 HOUSEHOLD EXPENDITURE

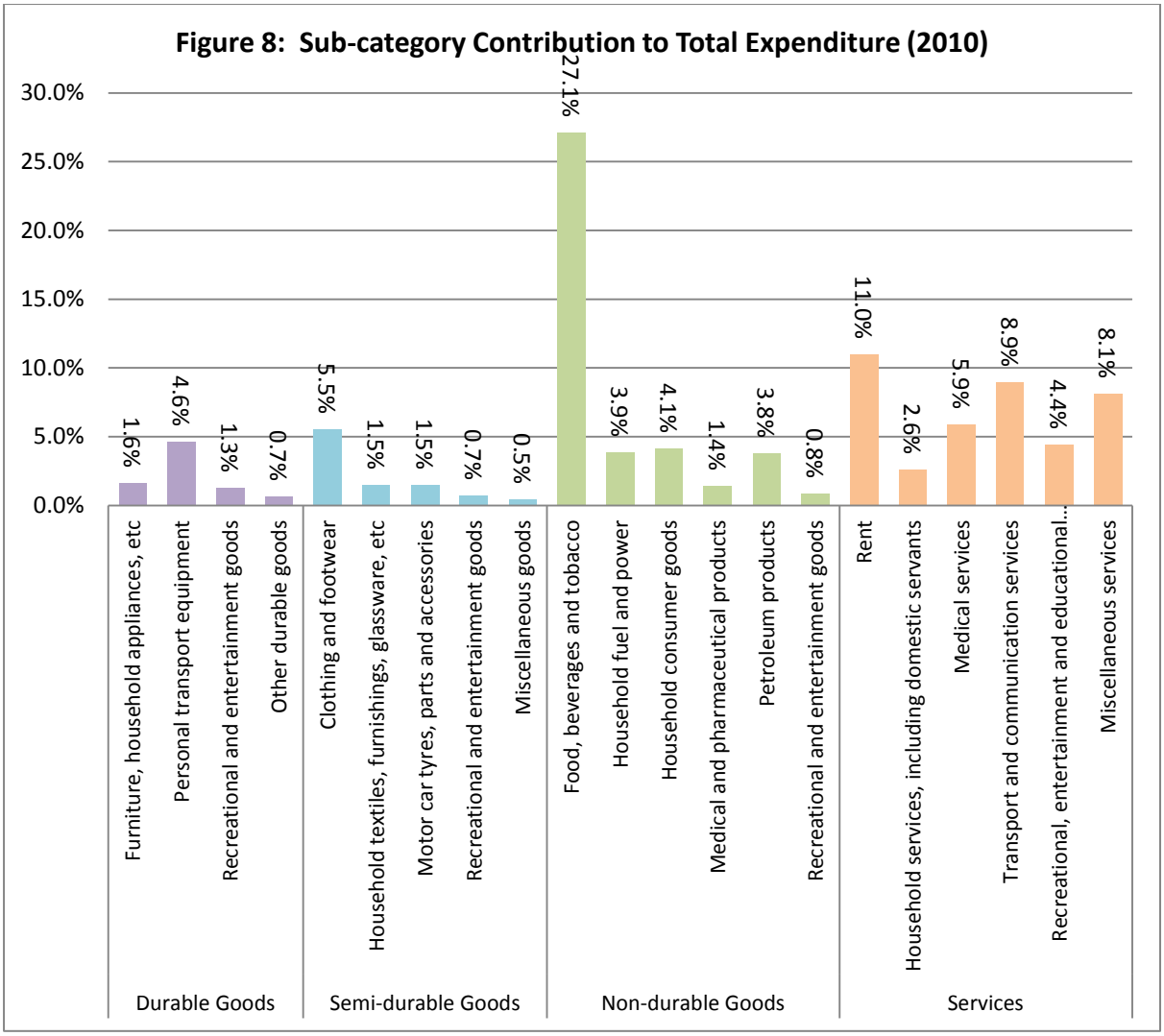
Total household income in 2010 was approximately R7.8 billion in Dipaleseng, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure, which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that and additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

Figure 7: Household Expenditure



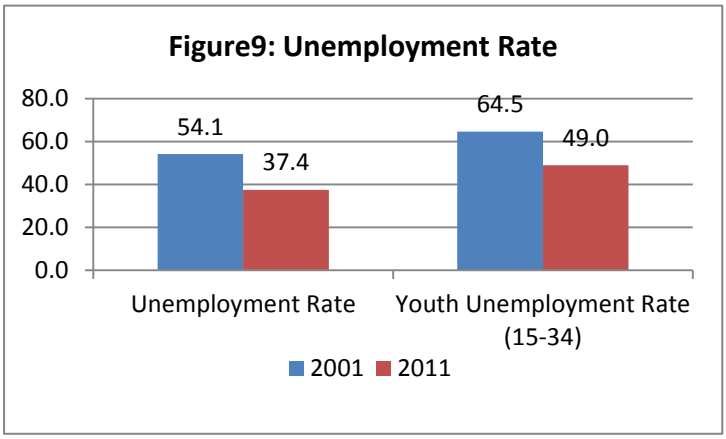
Source: Urban-Econ calculations based on Quantec Data (2012)

The largest sub-category of expenditure is food, beverages and tobacco contributing just over 27% to total expenditure within Dipaleseng. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.



***Source**: Urban-Econ calculations based on Quantec Data (2012)*

3.1.2.4 EMPLOYMENT PROFILE



As indicated on Figure 8, unemployment rate in Dipaleseng Municipality is estimated at 37.4%. This marks a slight decline from 54.1% recorded in 2001. Unemployment among the youth (15 to 34years of age) has also declined from 64% in 2001 down to 49% in 2011.

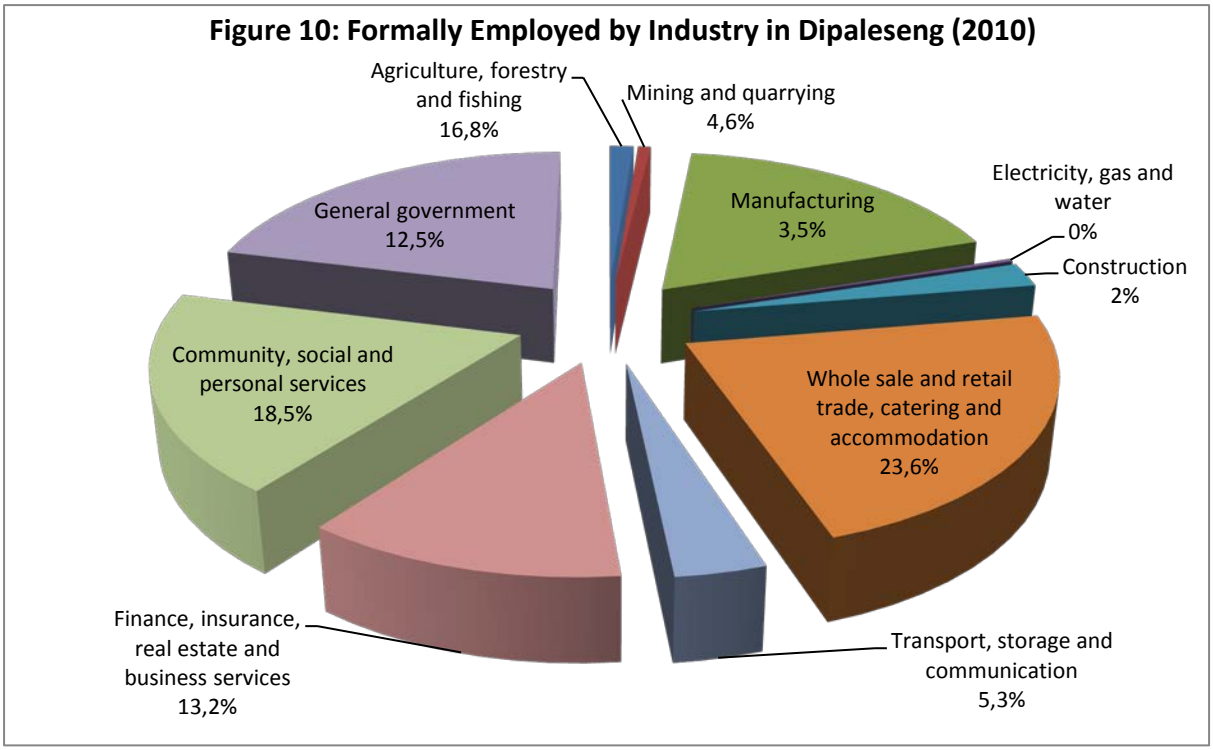
3.1.2.5 FORMAL EMPLOYMENT BY INDUSTRY

There is an almost equal share of skilled and semi/unskilled persons within Dipaleseng, consisting 44% and 43% of those employed in the formal economy, respectively. Only 13% of those employed in the formal economy are classified as highly skilled. The graph below displays the distribution of those employed in the formal economy by industry.

The primary sectors of the economy only contribute 2% to total employment within Dipaleseng, with agriculture contributing 1.3% (800 people) and mining 0.7% (426 people). Of concern is the average annual growth rate of employment within the agriculture and mining sectors, which have declined by 16% and 7.5% per annum since 2000 respectively.

The manufacturing sector contributes 17.9% to total employment (11,453 people) within the municipality, and has also experienced negative growth with an average annual decline in employment of 5.2% since 2000. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, which form the foundation of the economy, and are generally more labour intensive than tertiary sectors. Major intervention will be required to ensure that the agricultural and manufacturing sectors are regenerated to absorb more labour and stimulate economic activity.

Figure 10: Formally Employed by Industry in Dipaleseng (2010)



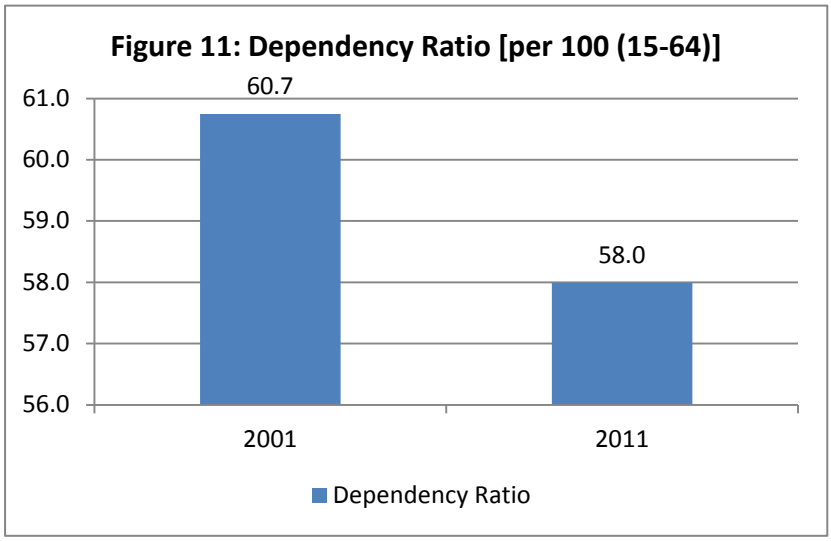
Source: Urban-Econ calculations based on Quantec Data (2012)

The wholesale & retail trade and catering & accommodation sector is the largest employer with 22.6% of total employment (4,426 people), and has declined at a much lower rate of -0.4% on average per annum. The finance, insurance, real estate and business services sector contributes 13.2%, while the community, social and personal services contributes 18.5%, and general government services 12.5%. All these sectors have experienced a low level of positive growth. The entire tertiary sector contributes 77.6% to total employment, which again is concerning given that the service sector relies on growth within the primary and secondary sectors to generate wealth.

3.1.2.6 ECONOMICALLY ACTIVE POPULATION

Of the total population of Dipaleseng, 61% are within the working age bracket (16-64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, but is higher than the Provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The graph below displays the level of skill of those employed in the formal employment market.

3.1.2.7 DEPENDANCY RATIO



The dependency ratio indicates the number of young people (under 16) and older people (over 64) who depend on people of working age (16 to 64).

As indicated on Figure 9, dependency ratio in Dipaleseng has declined from 60.7% in 2001 down to 58% in 2011.

3.1.2.8 HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) for Dipaleseng has improved significantly since 1996 (refer to table 4). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is however, below the Provincial average of 33% in urban areas.

Table 4: Social Development and People in Poverty

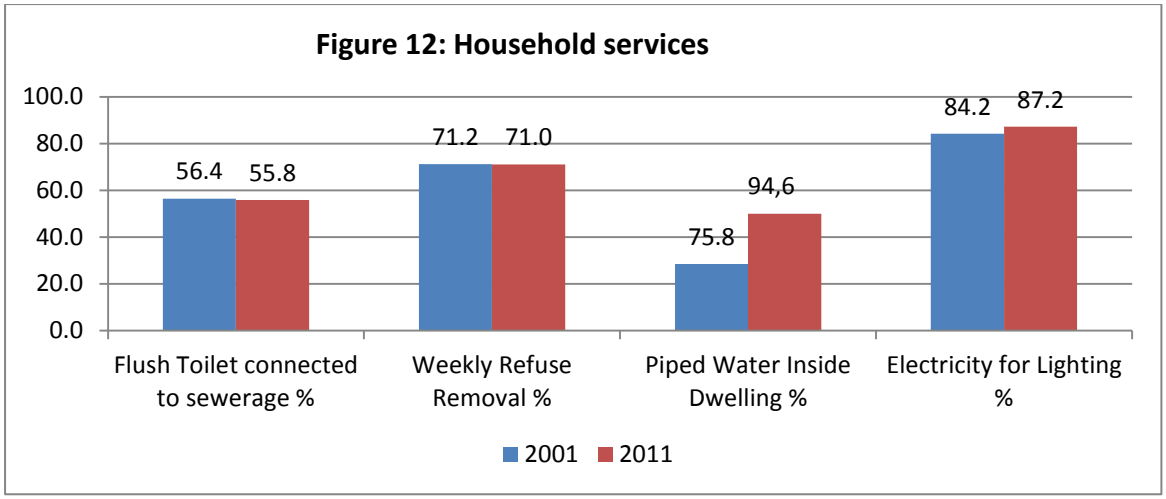
	PERCENTAGE OF PEOPLE IN POVERTY			HUMAN DEVELOPMENT INDEX (HDI)			UNEMPLOYMENT RATE OFFICIAL DEFINITION (%)		
Dipaleseng	1996	2001	2011	1996	2001	2011	1996	2001	2011
	45%	45%	39%	0.54	0.57	0.57	20%	25%	22%
Urban MP	37%	39%	33%	0.58	0.60	0.60	17%	22%	20%
Rural MP	55%	68%	63%	0.45	0.49	0.50	24%	35%	31%

Source: Urbanization Paper, Clive Coetzee, 2009

Most of the poverty-stricken households of Dipaleseng are located in the informal settlements as well as the rural areas. The urbanized population is generally better off than the rural communities affordability levels are significantly low and access to basic services is a major challenge. The provision of sustainable basic and essential services to these communities is to be one of the greatest challenges of the Dipaleseng Municipality and innovative service delivery options is encouraged.

3.1.3 GENERAL ACCESS TO BASIC SERVICES

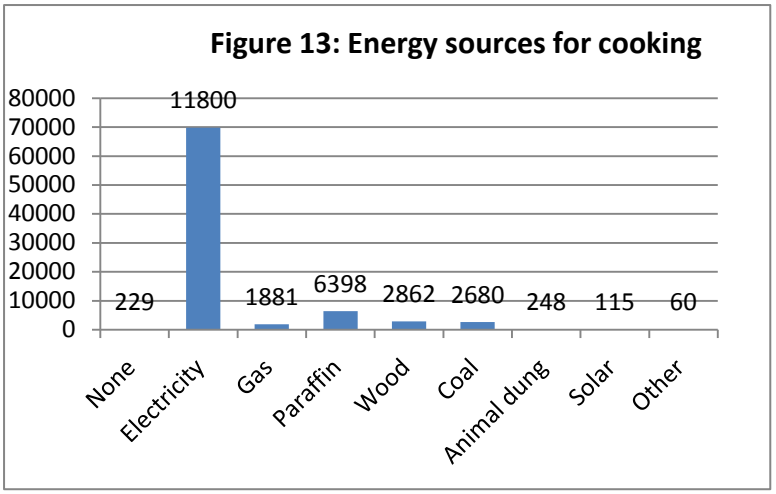
As indicated on Figure 12 below, access to basic household services in Dipaleseng Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 84.2% having electriTown for lighting marking an increase from 84.2% in 2001. The situation with regard to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

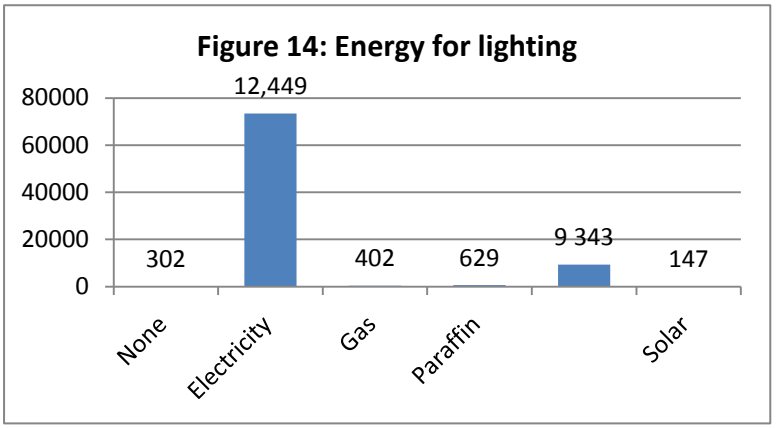


Source: Stats SA, 2011

However, the standard and level of service differ significantly among areas reflecting the impact of the past apartheid policies. The Zenzele area and the surrounding settlements are characterised by severe service backlogs and underdevelopment. Table 6 below indicated a summary of service backlogs for 2010.

3.1.3.1 SOURCES OF ENERGY





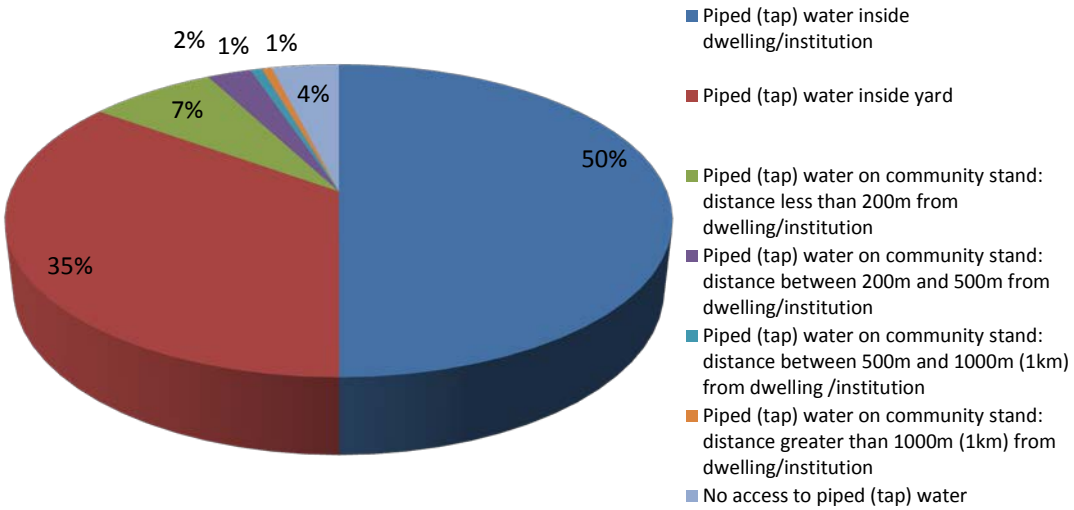
The municipality with the assistance of ESKOM has made substantial progress with the provision of electriTown throughout its area of jurisdiction. 12 435 households are using electriTown for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc has declined substantially.

However, there is a few areas where lack of services has been reported.These include informal settlements and areas that were settled after the was electrified.

3.1.3.2 ACCESS TO WATER

Water supply infrastructure in Dipaleseng Municipality varies between areas reflecting the impact of separate development and urban bias of the past planning and development practices. Balfour town is generally well provided with water while a few households in Siyathemba, Nthorwane and Grootvlei Ext 1 Townships are experiencing shortage in this regard. Severe backlogs have been reported in rural wards where the level of backlog is high. A review of the 2011 census data reveals that 94,9% of the population has water inside their dwelling units. However, a significant number of people (more than 35% still obtain water beyond a 200m radius of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

Figure 15: Access to water



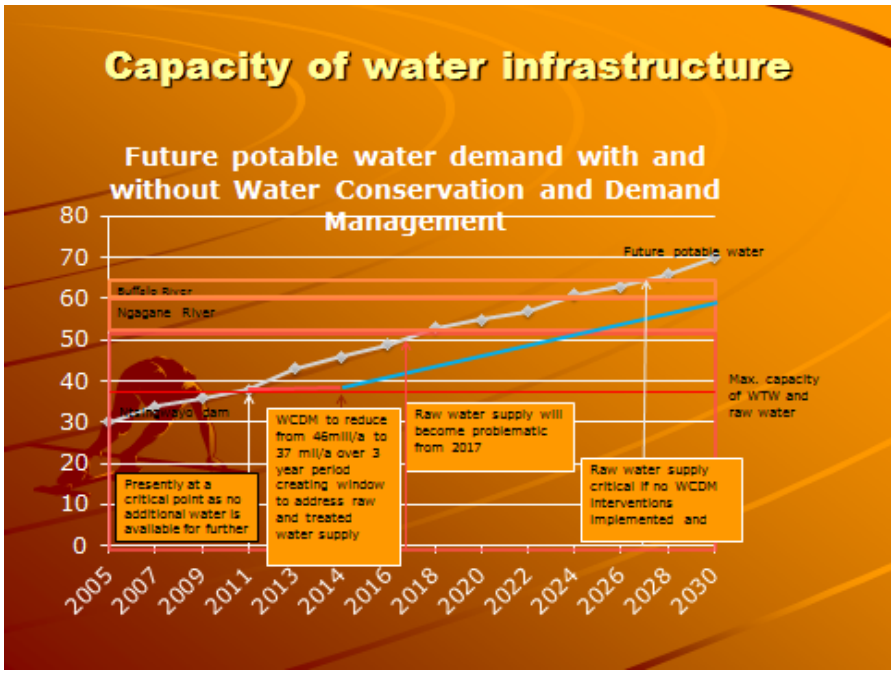
The Dipaleseng Municipality, in line with National policy on FBW, makes budgetary provision of 06kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (WSDP) indicates that there has been a reduction of 18% in water backlogs between the 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:

Table: 6: Access to Sanitation by Wards

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	33	452	93	94	258	20	41	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8
Ward 5	3 821	82	11	29	5	7	55	52	249
Ward 6	3 216	32	2	15	6	5	20	9	239
Grand Total	18 725	235	545	278	169	312	305	411	292

Source: Stats SA, 2011

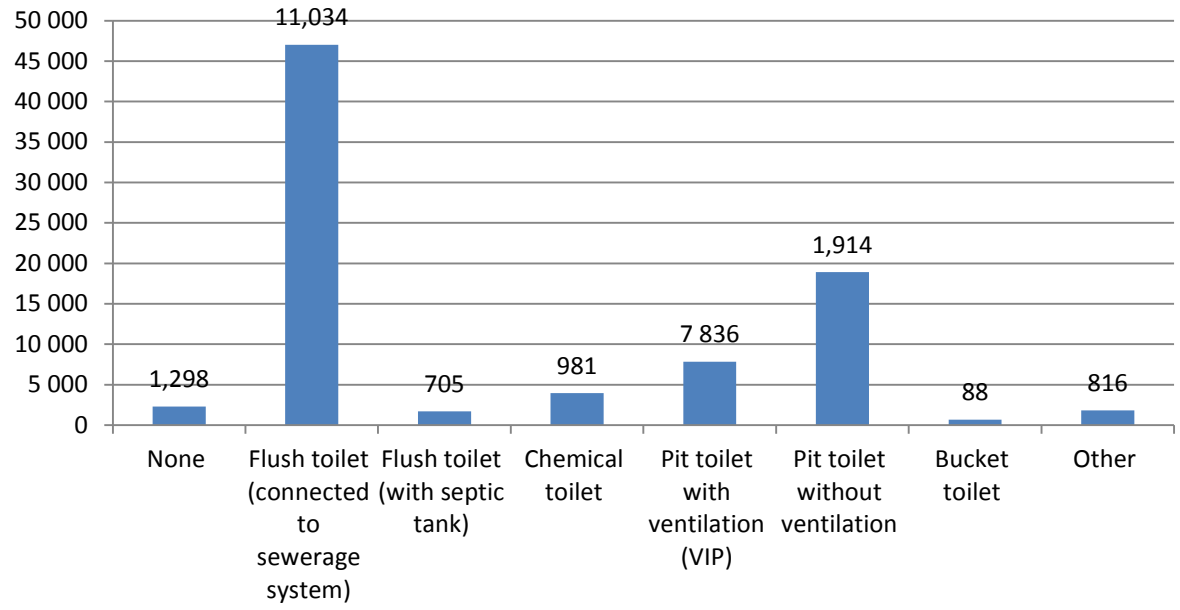
The graph below illustrates the demand for water and indicates the crisis that might face DLM is water issues are not given priority within LM.



3.1.3.3 ACCESS TO SANITATION

Similarly, the peri-urban and rural areas with the Nthorwane and rural settlements in the Grootvlei Ext 1 and Zenzele communities are characterised by high sanitation backlogs. The rural node has no sewerage reticulation in place. The residents rely on over 400 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1,0 million per annum in de-sludging the VIPs. Plans are underway to formalize Zenzele and considerable sewage flows are expected.

Figure 16: Access to sanitation



Source: Stats SA, 2011

A breakdown of level of access to sanitation by municipal wards is indicated in the table below. 122 people said to be on bucket system is a source of concern and will be attend immediately.

Table: 7: Access to Sanitation by Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1	168	456	0	0	10	77	36	124
Ward 2	165	3259	0	0	36	0	2	2
Ward 3	19	2339	216	87	54	6	15	6
Ward 4	222	2802	0	-	0	4	0	5
Ward 5	990	2888	0	-	86	222	44	7
Ward 6	840	4428	0	87	15	393	25	145

3.2 SPATIAL ANALYSIS

Dipaleseng Municipality boundaries were delineated in terms of the Municipal Demarcation Act taking into account a number of factors including physical features of the area, population movement patterns, economic trends and social organisation of communities. As such, the boundaries are not simple administrative, but also provide a framework for regional economic development planning. This section provides a broad spatial analysis and should be read together with the Spatial Development Framework.

3.2.1 DISTRICT CONTEXT

Dipaleseng is by far, the smalerst economic hub within the administrative boundaries of Gert Sibande District. It is located on the north-western side of Mpumalanga Province and shares the boarders with the neighbouring Provinces. Dipaleseng Local Municipality has a geographical coverage of 2616.5km^2 land, it is bounded by Lekwa Municipality to the east, Govan Mbeki to the south, Free State Province to the South and Gauteng to the West. The Town of Dipaleseng is a service centre serving a wide, mainly rural hinterland with the CBD being the primary economic and social node for the Town itself as well as the surrounding Dipaleseng also serves a number of small settlements which surround it.

Dipaleseng is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in Mpumalanga. Dipaleseng is centrally located in the northern region, of MP halfway between Johannesburg and the harbours of Durban and Richards Bay, contributes to the export of manufactured goods, as well as for distribution to the Gauteng market.

Dipaleseng is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and Town Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities.

Previous reviews of the local economy have identified trade, tourism and agriculture as the three main economic sectors in the area. In Dipaleseng, there are 34 sectors that contribute to the GVA-R[1], of which metal products, machinery and household appliances products is

[1] Gross Value Added by Region (GVA-R) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy

the largest contributor, followed by the education and land and the land and transport sector. The GVA-R of Dipaleseng has experienced a significant increase over the last 12 years.

3.2.2 REGIONAL AND LOCAL ROAD NETWORK

Movement within Dipaleseng can be divided into two categories, that is:

- **Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and**
- **Movement that takes place between destinations or settlements within the Municipal Area.**

With regard to the former, movements along the national road apply. For example, the N3 is used as the connecting route between Johannesburg and Durban.

3.2.2.1 LOCAL ACCESS AND MOVEMENT

With regard to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Nthorwane and Balfour, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Grootvlei and Balfour along the R51. Thirdly, a movement axis is found between the Dipaleseng CBD on other settlements, such as Nigel to the west, Springs and Heidelberg including Standerton to the East.

3.2.2.2 REGIONAL ACCESS AND MOVEMENT

Dipaleseng Municipality enjoys relatively good access at a national and regional scale. West-south linkages are facilitated by the N3 and east - south linkages by the R23 and R51. The N3 is a primary movement and mobility corridor. It runs in a west-south direction from the Johannesburg to Durban through Dipaleseng Town thus making the area highly accessible and well connected to the National, Provincial and regional road network.

Although the SDF identifies this route a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors are the R23 which runs South from Dipaleseng to Standerton and beyond to Volkrust and Richards Bay linking to Durban. These routes all originate from the Johannesburg. The Siyathemba-Nthorwane section of the road to Secunda (Brakfontein) has

been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

3.2.3 SETTLEMENT PATTERN

Settlement pattern in the DLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Dipaleseng town through peri-urban settlements in the Balfour to extensive commercial farmlands with small isolated farm-dweller settlements.

3.2.3.1 URBAN AREAS

The urban component of the DLM comprises three distinct sections, namely:

- **Balfour/Siyathemba**
- **Greylingstad/Nthorwane**
- **Grootvlei.**

An urban edge has been determined around this entire complex within which it is proposed that all future urban development takes place in order to integrate, densify and diversify it as well as to limit the loss of high yield agricultural land.

3.2.3.1.1 DIPALESENG

The CBD is located in Dipaleseng West on the southern side of the confluence of the Suikerbos and Water Val Rivers. Dipaleseng West is predominantly residential with the northern section being the most affluent. Ribbon development runs south-eastwards from the CBD along the R51 and includes a shopping centre, restaurant, garage and car showroom, hotel and lodges. The northern portion of Dipaleseng West also accommodates the show-grounds, Warembo Lodge and Conference Centre, a golf course and Eskom Station.

Immediately south of the CBD are the original residential areas of the town also laid out in the same gridiron pattern and home to the Siyathemba Clinic, the police station and a number of home offices which have spread outwards from the CBD. South-west of the CBD are further residential suburbs.

Dipaleseng CBD is currently going through a process of spatial transformation. This involves three main processes, namely:

- **Decentralisation of commercial and office space;**
- **Redevelopment; and**
- **Expansion of town area.**

Decentralisation of commercial and office space occurs in the form of nodular development at both eastern and western entrances/gateways into Dipaleseng CBD. Dipaleseng west development includes a number of service industries, a community commercial centre, Guest houses and a number of associated developments. The area is earmarked for further commercial development.

Rights have been granted for the development of regional shopping centre next to the rail line. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in future include motor-showrooms, restaurants, etc.

Redevelopment on the other hand, involves refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes intrusion of office use, particularly professional offices, into residential areas that abut into the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Dipaleseng Municipality has accordingly developed strategic responses to these trends. These include Dipaleseng West Precinct Plan, CBD Development Plan and Dipaleseng South Spatial Development Plan (SDP). The latter provides for a range of residential products, mixed land use and commercial nodes.

The net effect of these plans is the extension of the town built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in northern Mpumalanga Province, Dipaleseng is likely to remain a regional service centre unchallenged by other nearby town in the foreseeable future. Its market threshold is relatively secure but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

3.2.3.1.2 CENTRAL INDUSTRIAL AREA

East of the CBD lies large industrial areas, the R23 and abattoir facility as well as a landfill site. The Fortuna Dam and Recreation Area are also located in this area. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the DLM, it historically developed as a buffer between the former white only areas in the Dipaleseng West and the former black only townships of Siyathemba and Nthorwane.

3.2.3.1.3 BALFOUR

Balfour is located along R 51 and comprises of the Townships of Siyathemba and Sophia Trust area. Siyathemba and Nthorwane were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime.

It gave rise to a compact linear urban form with rectilinear road network based on 3 to 4 km grid spacing of major arterials. The Joe Slovo area, which joins the Siyathemba and Nthorwane areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of "shack farming" thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The complex is characterised by poor condition of services and general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on Dipaleseng town. Urban renewal programmes being initiated in the complex will address the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.

3.2.3.2 RURAL SETTLEMENTS

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by land reform, particularly land restitution and labour tenant, program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These include smaller rural settlements such as Sthandiwe settlements, Sophia Trust and Zone 14. Sophia

Trust provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Sthandiwe settlements. Val marine, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node.

3.2.3.3 FORMER MINING AREAS

A number of settlements are also located in the south-eastern portion of DLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east.

The mines have stimulated the development of numerous smaller settlements, such as Grootvlei Ext 1, and Ext 2. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements.

The settlement pattern can mainly be ascribed to the mining activities and the Grootvlei power station in the area, which caused the discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

3.2.4 IMPACT OF POST-APARTHEID SPATIAL PLANNING

Past apartheid policies had a profound impact on the structure and functionality of the Dipaleseng Municipality. It fragmented communities, marginalised their economic activities and undermined their participation in the economy.

It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Balfour and the former dormitory suburbs of Siyathemba and Nthorwane.

These two areas are situated at least between 5km and 25km from Dipaleseng central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Dipaleseng in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

3.2.5 LAND USE MANAGEMENT

In terms of the Municipal Systems Act, a Land Use Management System is a legal requirement that Dipaleseng Municipality is obliged to meet. In response, Dipaleseng municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Dipaleseng Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme.

However, this document has not been implemented as due process is being followed to amend the Dipaleseng Town Planning Scheme as provided for in the Mpumalanga Planning and Development Act, 2008 (Act No. 6 of 2008). The Dipaleseng municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Dipaleseng town is the only area that is covered by a Town Planning Scheme within the municipality.

3.2.6 SPATIAL TRENDS AND PATTERNS

The urban part of Dipaleseng Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Dipaleseng was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Siyathemba, Nthorwane and Grootvlei Ext 1 area located approximately 5 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:

- **Explosive low density sprawls in the form of informal and traditional settlements that have developed within the rural area. Some of this occurs on privately owned land in the Sophia Trust Settlements. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.**
- **Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.**
- **Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on privately owned land.**

- **Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.**

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Dipaleseng CBD and the complex on a daily basis.

3.2.7 LAND REFORM PROGRAMME AND RURAL DEVELOPMENT

The Dipaleseng Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and land Reform, in association with Gert Sibande District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

3.2.7.1 STATUS OF LAND REFOFORM PROGRAMME

According to Gert Sibande District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Dipaleseng Municipality:

Figure 9: Land reform projects in Dipaleseng Local Municipality

- ***Land Redistribution (LRAD)*: There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).**
- ***Land Restitution*: There are 130 claims on farms in the Dipaleseng area, totalling 5,000ha. Of this, 34 claims have been settled, making up 1,700ha.**
- ***Tenure Security (Labour Tenants)*: There are tenure security claims on 99 farms, making up a total area of 973ha**

3.2.7.2 LAND TENURE UPGRADING

The need for land tenure upgrading in the DLM affects four types of communities, namely:

- **People who hold Deeds of Grant to land**
- **People who require their title deeds to be adjusted**
- **Tenants in the Sthandiwe and Sophie Trust area**
- **Farm dwellers**

3.2.7.2.1 SIYATHEMBA AND NTHORWANE TOWNSHIPS

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme and involving areas where people held their properties through Deeds of Grants (eg. Siyathemba and Nthorwane Townships) has virtually been completed.

3.2.7.2.2 STHADIWE AND SOPHIA TRUST

Similarly, substantial progress has been made with the title adjustment process involving land owners in the Sthandiwe and Sophia Trust areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the urban Renewal Programme to deal with the land issues in the Sthandiwe and Sophia Trust areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

3.2.7.2.3 ZONE 14 SETTLEMENT

Communities occupying the area that falls under the jurisdiction of Zone 14 Settlement should also be considered for land tenure upgrading. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the DLM.

3.2.7.2.4 LAMERMOER SETTLEMENT

The land occupied by Lamermoer Community in the vicinity of Grootvlei should be investigated as it may fall outside the proclaimed area of Lamermoer Community Authority. The land has been subject of a court case between the farmer and Lamermoer Community.

Other areas that require attention in terms of tenure security are the settlements located to the north of Nthorwane Township and Beerlagter area.

3.2.7.3 LABOUR TENANT CLAIMS

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Dipaleseng Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

3.2.7.4 LAND RESTITUTION

A number of land restitution claims were lodged against various properties in the Dipaleseng Area. The majority of these are large in size and riddles with complexities. Lamermoer which involves dairy farming, crop production and livestock farming has not been resolved for the community to obtaining access to more than 10000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities.

The process towards the resolution of the other land claims such as Beerlagter is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Dipaleseng Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

3.2.7.5 IMPACT OF THE LAND REFORM PROGRAMME

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:

- **The loss of productive agricultural land to residential development, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities**
- **Land reform resulting to the loss of productive agricultural land. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security"**
- **Provision of adequate water supplies. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threat includes climate change, invasive alien plants and pollution.**

3.2.8 NATURAL ENVIRONMENT

3.2.8.1 TERRAIN

The terrain of DLM is relatively flat. Elevation is the lowest in the eastern portion of the municipality, with more elevated relief towards the western portion of the municipality. The most urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Dipaleseng town and MBO complex and the industrial area located in between. The elevated relief towards the west refers to the Drakensburg range to the west and the Amajuba Mountain to the north.

3.2.8.2 CATCHMENTS

Dipaleseng is located in the catchment of the Suikerbos River with water Val River being one of the major tributaries. The Suikerbos River flows into the Lekwa River which is one of the major rivers in the Highveld Water Management Area (WMA).

Five main catchments areas form part of DLM. This includes the larger Vaal River catchment, which ultimately forms part of the Suikerbos River system. These include:

- **the Water Val River where it meets the Vaal River (Vaal Catchment);**
- **the Suikerbos River where it meets the Vaal River (Vaal Catchment);**
- **the Suikerbos River where it meets the Val River (Additional Suikerbos Catchment, which includes the upstream Val and Vaal River Catchments);**
- **the Water Val River at its confluence with the Vaal River (Vaal Catchment); and**

- **the Suikerbos River to where it intersects with the Dipaleseng LM boundary (Additional Catchment, which includes the upstream Val and Vaal River Catchments).**

Two significant dams were identified within the study area, namely that of the Haarhoff Dam, also known as the Fortuna Dam, located to the West of Dipaleseng within the Suikerbos River catchment, and the Grootvlei Dam located to the north east of Dipaleseng within the Val River catchment.

In addition to this, two significant wetland systems were identified, namely the Grootvlei Wetland located just outside Grootvlei and the Balfour Wetland located to the north east of Balfour Town. It should be noted that legislation dictates (as per the National Water Act 36 of 1998) that wetland areas are protected and therefore development within 30 m of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Vaal River at the south-eastern boundary of the LM boundary.

The majority of water abstracted (35%) is used for irrigation. The total area registered for irrigation is equal to 5124ha within the DLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5 %.

3.2.9 WATER QUALITY

3.2.9.1 SOURCES OF WATER CONTAMINATION

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred on the town of Balfour, which is sited across the boundaries of the Suikerbos River and the Vaal catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

The potential contaminants associated with the non-point source land-use in the Dipaleseng LM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Val River.

Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:

- **heavy metals;**
- **particulate matter;**
- **organic contaminants;**
- **soluble salts which translates into low oxygen levels;**
- **high turbidity;**
- **increased levels of trophic sensitivity; and**
- **Elevated toxiTown of water.**

The resultant impact is the applicability of water for agricultural, domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

3.2.9.2 QUALITY OF WATER

The DWA results within the Dipaleseng LM indicate good water quality; however the river water quality is impacted by poorly performing WWTW or urban run-off by total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data, however, following discussions with DWA and based on the potential contaminant sources it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Suikerbos River.

The Suikerbos River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 1866 (immediately downstream of Fortuna operations).

This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of Arcelor Mittal Steel. The sulphate and TDS levels increase again following the confluence with the Suikerbos River suggesting an impact, from either the Val River, or a point source on the Suikerbos River in this area.

3.2.10 GROUNDWATER

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:

- **Poor or low rates of recharge;**
- **Mining activities, particularly coal mining;**
- **Local industry;**
- **Farming activities.**

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the Dipaleseng LM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity are all existing groundwater resources in relation to the potential yield they may deliver, geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, areas of high potential production and zones of potential recharge. Groundwater quality is typically moderate to poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

Sources of increased quantities of particular determinants have not been establish with any conviction, however, major sources of concern are mining activities, heavy industry, and urban areas have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potential inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

3.2.11 BIODIVERSITY ASSESSMENT

3.2.11.1 STATUS OF VEGETATION

Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. As regards the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

3.2.11.2 BIODIVERSITY CORRIDORS

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

The only north-south axis that represented a viable corridor was along the western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that east-west orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the west to 1500 metres in the east, over a distance of under 15 km.

3.2.11.3 PRIORITY MANAGEMENT AREAS

The condition of biodiversity in the Dipaleseng Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Dipaleseng Municipality.

Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity.

The analysis also indicates that the endemic Northern Mpumalanga Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Highveld Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality.

The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern Mpumalanga Province Moist Grassland, Mpumalanga Province Highland Thornveld, and the Income Sandy Grassland.

3.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

3.3.1 MUNICIPAL TRANSFORMATION

3.3.1.1 EMPLOYMENT EQUITY

During the last financial year the municipality developed a new Employment Equity Plan that is currently still in the process of being finalized and approved. According to this plan, substantial progress has been made with regard to affirmative action. Table 8 below indicated distribution of staff according to gender and level in the organogram.

1. **Workforce Profile**

Occupational Levels	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	0	2	0	0	0	0	0	6
Senior Management	2	0	0	0	2	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	4	0	0	0	2	0	0	0	0	0	6
Skilled technical and academically qualified workers, junior management , supervisors, foreman and superintendents	22	0	0	2	17	0	0	2	0	0	43
Semi-skilled and discretionary decision	34	0	1	0	16	0	0	0	0	0	51
Unskilled and defined decision making	59	0	0	1	13	0	0	0	0	0	73

TOTAL PERMANENT	**125**	**0**	**1**	**3**	**52**	**0**	**0**	**2**	**0**	**0**	**183**
Temporary employees	**89**	**0**	**0**	**1**	**6**	**0**	**0**	**0**	**0**	**0**	**96**
GRAND TOTAL	**214**	**0**	**1**	**4**	**58**	**0**	**0**	**2**	**0**	**0**	**279**

Table 8: Staff Breakdown by Gender and Level

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	0	0	2	0	0	0	0	0	6
Senior management	2	0	0	1	2	0	0		0	0	4
Professionally qualified and experienced specialists and mid-management	4	0	0	0	2	0	0	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	22	0	0	2	17	0	0	2	0	0	43
Semi-skilled and discretionary decision making	34	0	1	0	16	0	0	0	0	0	51
Unskilled and defined decision making	59	0	0	1	13	0	0	0	0	0	73
TOTAL PERMANENT	125	0	1	3	52	0	0	2	0	0	183
Temporary employees	89	0	0	1	6	0	0	0	0	0	96
GRAND TOTAL	214	0	1	4	58	0	0	2	0	0	279

The DLM has a total staff complement of 279 people. 183 of these are permanent while only 96 are temporary employees.

The management (section 56 employees) comprises of 4 males. This indicates a need for the transformation of this layer of management to include females and where possible the disabled as well. Gender composition for Post Level 1 – 3 is as follows:

- **04 African Males and 2 African females.**
- **00 Indian Males and 00 Indian females.**
- **0 Coloured Male and 0 coloured female.**
- **00 White Males and 00 white females.**

3.3.1.2 DIPALESENG TURN ARROUND STRATEGY

Dipaleseng Municipality has prioritised the following as part of the municipal turnaround strategy:

- **Service Delivery (Maintenance existing levels, Rehabilitation of infrastructure and backlogs)**
- **Fast Track Sustainable Human Settlements through Housing and Rural Development Program**
- **Develop Consolidated Infrastructure Plan and Capital Investment Plan for implementation**
- **Debt Management – increase payment factor Revenue enhancement, Debt Control and Revenue Collection**
- **Integration and Co-ordination (Establishment of Economic Forums)**
- **Clean Audit by 2014**
- **Intergovernmental relations**
- **Identify infrastructure that support economic development**
- **Development of Communication Strategy**
- **Halving poverty and unemployment by 2014**

3.3.2 ORGANISATIONAL DEVELOPMENT

3.3.2.1 POWERS AND FUNCTIONS

The powers and functions of the Dipaleseng Municipality are derived from the Constitution of the Republic of South Africa and a range of local government legislation, and could be summarised as follows:

3.3.3 POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorized to Dipaleseng Municipality were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under institutional arrangements section.

Core/Primary		Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Building Regulations	Yes	None
	ElectriTown and Gas Reticulation	Yes	None
	Fire Fighting Services	Yes	None
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
	Water and Sanitation Services	Yes	Await recommendations from MEC on intervention

		Capacity to implement (MDB)	Proposed Intervention
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None
	Street lighting	Yes	None
	Traffic and parking	Yes	None

Table 9: Powers and Functions (non-core)

	Non-core /Secondary Functions		
Schedule 4 Part B	**COMMENT FROM GSDM(District Wide)**	**Schedule 5 Part B**	**COMMENT FROM GSDM(District Wide)**
Air Pollution	None	Beaches and Amusement	Not or being poorly

	Non-core /Secondary Functions		
Schedule 4 Part B	**COMMENT FROM GSDM(District Wide)**	**Schedule 5 Part B**	**COMMENT FROM GSDM(District Wide)**
		Facilities	performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly performed
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly performed None	Fencing and fences	None
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Not or being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	Not or being poorly performed
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

There is a need to initiate the process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

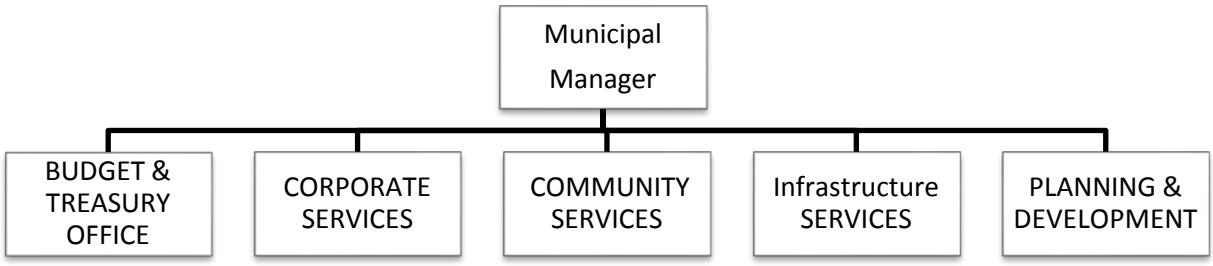
- **Approval of an Integrated Development Plan**
- **Passing of by-laws**

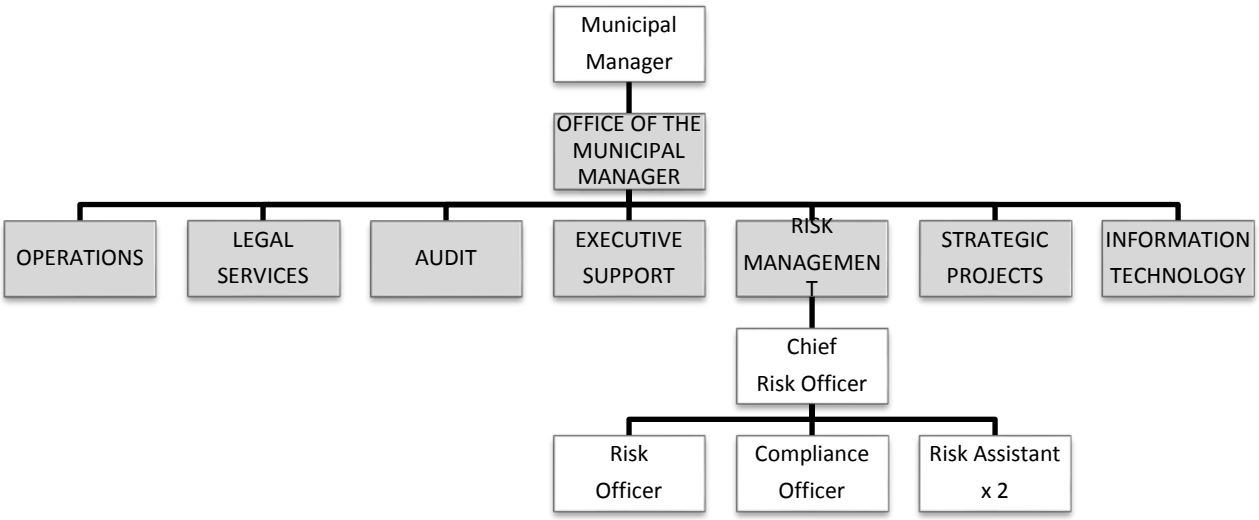
- **Approval of budgets**
- **Imposition of rates and other taxes, levies and duties**
- **Raising of loans**

In respect of the water and sanitation service – this service is rendered by the municipality serving as the Water Services Authority.Gert Sibande District function being performed by the municipality is the Environmental Health Function and arrangements regarding the transfer of the function to the District are in progress.

3.3.3.1 ORGANOGRAM

Figure 19: Organisational Structure - Administration





The organogram illustrated below, and as approved by Council, makes provision for a Municipal Manager, and 5 departments. The office of the Municipal Manager includes Internal Audit and Strategic Services. The administration is structured for effective delivery of services and support to governance structures.

The process of filling in all the vacant and senior management posts has been initiated and finalised during the previous financial year. Challenges are being experience on the scarce skills especially at Electrical Services Department whereby there has been huge staff turnover. However, the municipality has recruited a big number of Interns and some are being seconded by DBSA as part of Skills development program.

3.3.3.2 STAFF BREAK-DOWN

As of 2013, the Municipality had a staff compliment of 279 people, servicing areas of Dipaleseng, Balfour, Siyathemba, Greylingstad, Nthorwane, and Grootvlei. The total establishment should be 600. However, the Micro structure is being reviewed as part the organisational restructuring process, and the staff complement could therefore increase to meet the service delivery challenges as highlighted in this IDP.

Table 9: Staff Breakdown per Function

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
Municipal Manager and Mayor's office	6	2	4
Corporate Services			
- Administration	36	15	21
- Human Resources	22	9	13
Community Services			
- Culture & Amenities	41	34	7
- Protection / Community Services	52	30	82
Planning & Development			
-Town Planning	4	4	0
- Housing & Land	2	2	0
- Economic Development	1	0	1
Infrastructure Services			
- Road & Storm water	82	80	6
- Electrical	14	14	0
Financial Services	22	5	17

3.3.3.3 WORKPLACE SKILLS PLAN

HRD has been successful in rolling out training programmes as per the WSP. Employees representative of almost all Departments have been sent to different workshops which address the skills gaps identified by their respective departments. This intervention is done through the Determination of Training Need. This training forms the bulk of all training that was arranged. In all 245 employees including councillors were trained. This works out to 77.7% of 111 officials that were planned to be trained. Training areas covered a wide range of fields related to municipal administration and delivery of services.

3.3.3.4 HUMAN RESOURCE POLICIES

The following Human Resource policies and Strategies are in place at the Dipaleseng Municipality:

- **Macro Structure – Restructuring Plan**
- **Micro Structure – in progress**
- **Human Resources Policy**
- **Recruitment Policy**
- **Overtime Policy**
- **Subsistence and Travelling Policy**
- **Cell Phone Policy**
- **Sexual Harassment Policy**
- **HIV/AIDS Policy**
- **Employee Assistance Programme.**

3.3.3.5 INFORMATION TECHNOLOGY

Information Technology has become an important component of DLM in the quest to improve and transform lives of communities, and to assist and enable other departments within the Municipality to render a quality service to stakeholders and the public at large.

Below are a couple of activities that have taken place since IT was incorporated into the DLM and the future they hold:

- **Network infrastructure: A data network ensures that revenue collection points are always live. Rate payers do not have to be turned away because systems are offline and thereby causing them great inconvenience. This also results in poor cash inflows for the Municipality. DLM is committed to providing a stable and reliable network infrastructure for effective and efficient service delivery.**
- **Electronic Agendas: This is an IT solution that the DLM adopted for the distribution of electronic agendas to EXCO with a view to cascade it to the entire Council, and internally for the Bid and Portfolio Committees. DLM's long term view on this is the return on investment that will be seen from a decrease in printing and delivery costs, and Council's commitment to reducing our carbon footprint which is promoted to our stakeholders. COP17 has not gone unnoticed and the municipality will continue with developing such projects for the good of our environment.**
- **Website: DLM has taken a hands-on approach to the maintenance of the website. The municipality is legislated to publish policies and documents that directly affect the community; these are now published and updated frequently. A future total revamp of the DLM website is on the cards with the view to publish stories from the community, events that affect our community, view and pay municipal accounts online, online spatial map of Dipaleseng, view and pay traffic and parking tickets, view dam and water quality statistics, an efficient tourist information portal, and many other services. Accessibility of the website will be of great importance as the DLM is committed to provide these online services to special users like our senior citizens and younger children.**

The DLM has other projects that it intends to run which will bring real social transformation to the communities of Dipaleseng. These include a Customer Relations Management (CRM) system for members of the public to log in their issues which will be allocated to relevant departments and attendance to these will be tracked by way of email updates on progress to the users and reminders to the relevant department.

This will not only make the municipality more effective but it will also increase efficiency because employees responsible for handling these calls will be made accountable. As a way to bridge the digital divide in Dipaleseng, the DLM will be introducing participation mechanisms to enhance communication, accountability, responsiveness, transparency and provide for active citizenship.

This will be done through the provision of basic ICT Maturity e-government services such as: SMS alerts of council meetings, standing committees etc.; ICT enabled customer satisfaction surveys; Provision of online payment of rates, utilities, traffic fines etc.; SMS alerts for accounts due and service disruption warnings; electronic newsletter for the community.

Successful implementation of this phase will see more of such e-governance services being offered to the community. In future, the municipality plans to take advantage of the National Broadband Policy of South Africa which will guide the DLM to ensure that all places in and around Dipaleseng have internet connectivity.

Broadband infrastructure is central in achieving the goal of digital inclusion, enabling universal, sustainable, ubiquitous and affordable access to ICTs by all, and providing sustainable connectivity and access to remote and marginalized areas within the DLM.

3.4 SERVICE DELIVERY AND INFRASTRUCTURE ASSESSMENT

The DLM is one of a few local municipalities that are having the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation.

3.4.1 WATER

3.4.1.1 PLANNING FOR WATER SERVICES DELIVERY

Although the DLM developed and adopted a Water Services Development Plan (WSDP) in 2009, planning for water infrastructure development has largely been project based and *adhoc*. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlog through the Capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:

- **Preparation of a long term plan to guide investment in water infrastructure in the short to long term.**
- **Maintenance of the existing infrastructure.**

- **Funding for maintenance and new water infrastructure projects.**

3.4.1.2 RAW WATER SOURCES

The supply of raw water within the DLM is as follows:

- **The Suikerbos River Abstraction Works through a 19km long 800mm diameter steel pipe to the Fortuna Water Purification Works. The average supply is 10 Ml/day;**
- **The Suikerbos River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies and average of 20 Ml/day and;**
- **The Haarhoff Dam through two pipes, an 800 mm concrete pipe 19km long and 700mm diameter steel pipe, 13km long, both supply a combined total of 92 Ml/day.**

Haarhoff Dam situated on the Suikerbos River has a storage Capacity of 194million m^3. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m^3/a(57Ml/d) is available at Haarhoff Dam for further allocation to Dipaleseng which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

Table 10: Demand Forecast

However, the current available yield from the Haarhoff Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Vaal system would be required in the time horizon 2015-2025 without any agricultural development because of the domestic and industrial demand growth in Dipaleseng.

Therefore, the proposed Vaal Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Dipaleseng industrial and commercial sector beyond 2015-2015. Table 10 above; indicate the expected peak demand for the next 25 years with the expected shortfalls.

From the above table it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day, it is evident that the situation is serious.

This could be a conservative figure as the supply line to Greylingstad is completed; new bulk infrastructure is being provided to supply water to a planned development called Nthorwane; the Greylingstad area comprising of 1500 households is to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for Wilmdal.

3.4.1.3 POTABLE WATER TREATMENT FACILITIES

The town of Dipaleseng has two WTWs, the Balfour WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Balfour Water Treatment Works is located next to the Suikerbos River on the Western side of Dipaleseng and is operated by the Dipaleseng Municipality. The total peak hydraulic design Capacity of the Balfour WTW is 105 Ml/d. The average annual flow rate of the WTW is estimated to be 103.3 Ml/d.

The average annual Capacity of the water treatment works is not sufficient to meet the future (from 2016) water requirements. An overall score of 95% is required to achieve a blue drop status. Balfour Water has achieved a score of 97% during 2010.

3.4.1.4 WATER SUPPLY AND RETICULATION

Six pumping mains supply purified water to two bulk storage reservoirs, the Nthorwane and Grootvlei reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78 Ml Nthorwane reservoirs. The 29 Ml Grootvlei Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Nthorwane reservoirs then feeds the following;

- **Ext 4 Hill and Siyathemba through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter**
- **6 Ml Greylingstad reservoir that in turn feeds Nthorwane**
- **The Grootvlei Reservoir and Eskom**
- **Nthorwane Township through a 19.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Nthorwane and the other serves the 2Ml tower at Nthorwane.**

The Siyathemba reservoirs feed the Dipaleseng CBD, the suburbs and industrial areas. The Greylingstad Node is fed from the Nthorwane reservoirs. The average consumption for the whole of Dipaleseng is estimated at 75Ml/day. The consumption figures from the Nthorwane reservoirs are about 46 Ml/day. The Nthorwane reservoirs therefore have adequate Capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional Capacity can be realized.

The increase in demand for the townships of Siyathemba, Nthorwane, Balfour and Grootvlei including the Dipaleseng West area is necessitating the need for an additional 20Ml

reservoir at the EXT 4 Hill drop reservoir site including an additional 45Ml reservoir for the Nthorwane reservoir site.

3.4.1.5 THE CONDITION OFWATER INFRASTRUCTURE

The infrastructure in Dipaleseng is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Dipaleseng West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R100 million rand. Investigations also need to be carried out in how to improve the pressure management in the Siyathemba Proper, Ext 3 &4 areas where low pressures are being experienced.

A new pumping main from Fortuna Plant to Nthorwane Reservoirs is needed. The existing two lines do have sufficient Capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage Capacity at Nthorwane reservoirs.

3.4.1.6 WATER LOSSES

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Dipaleseng Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%.

The main areas of concern are Siyathemba and Nthorwane where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Siyathemba is 44.6kl per month with almost zero payment and no credit control interventions.

The situation is not any different in Nthorwane where the total number of households is in the order of 3 200. An amount of R4 million has been approved by MIG to reduce the non-revenue water in Siyathemba although a R50 million will be required to complete the programme.

The programme will include the repair of private leaks and install flow regulators to each household in Siyathemba and Nthorwane thereby creating an additional 26Ml per day allowing a window period for the construction of the raw water supply line from Suikerbos dam to the Fortuna WTW and simultaneously increasing the Capacity of the Fortuna WTW's. Without these interventions there will be insufficient water to supply for any new developments

3.4.2 SANITATION

DLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 3 481 households that do not have waterborne sanitation. This need is especially evident in the Grootvlei, Nthorwane and area.

3.4.2.1 CONDITION OF EXISTING INFRASTRUCTURE

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include in Ward 4: Ext 6 &7, Lindukuhle and portion of Ext 2, Ward 6: Zenzele, Ward 3: Greylingstad Balfour and Ward 5: Grootvlei Ext 1.

Grootvlei will be provided with sewer reticulation where 900 existing long drop toilets are to be converted to flush toilets. Siyathemba and Nthorwane has water borne sanitation for all 6000 households although the structures of 1000 households in Greylingstad and Balfour are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection.

In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Balfour is operating at full Capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were properties in Balfour and Greylingstad being serviced by the suction tanks system. Septic tanks have since been provided for these properties.

3.4.2.2 WASTE WATER TREATMENT WORKS

The waste water and sewage from the Dipaleseng Municipality is currently treated at three major plants:

- Dipaleseng (Balfour) Waste Water Treatment Plant: **The works currently serves the Balfour/Siyathemba Central Business District, the industrial and surrounding areas. The works has a design Capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare Capacity of 5 Ml/day**

and will serve future housing developments at Ext 6, portion of Balfour, FET College and emerging Industrial .

- Grootvlei Waste Water Treatment Plant: **The Works' catchment is the greater Grootvlei Ext 1 Township and including Grootvlei Ext 2 surroundings. The current Capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at Capacity in terms of hydraulic loading, but the biological loading is below design Capacity.**
- Nthorwane Waste Water Treatment Works: **The catchment area for Nthorwane WWTW is the Township, future expansion to includes**
- **The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic Capacity to 35Ml/day. The project is scheduled for 2015. It is envisaged that future flows from Greylingstad will be directed to Nthorwane WWTW.**

3.4.3 ELECTRITOWN AND POWER SUPPLY

3.4.3.1 ENERGY SOURCES

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is still being investigated to augment the Eskom. The 18MW combined heat and power plant will be supplying electriTown to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010. PSA has successfully restarted operations at its cogeneration plant at Dipaleseng, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited Capacity in the Dipaleseng East to accommodate the planned housing and commercial development.

3.4.3.2 RETICULATION

The municipality manages the electriTown networks for the Dipaleseng area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electriTown backlog in DLM is estimated at 11.3%. In terms of electriTown issues, the need to investigate pre-paid electriTown in Dipaleseng license area is highlighted. ElectriTown metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts.

There electriTown master plan is currently developed and therefore long term planning is not in place from a Capacity point of view. ElectriTown losses are currently estimated at

9%.Currently, Eskom is undertaking a study which will indicate the energy Capacity required for DLM if we are to pursue with future developments.

In addition, the Dipaleseng Municipality is investigating the viability of installing solar system in Sthandiwe settlement, Sophie Trust and some parts of Grootvlei Ext 1 (portions where MV lines are far from houses). These areas were identified for non-grid electriTown due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electriTown that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electriTown meters and the process is estimated to be completed by end of June 2014. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electriTown loss challenges.

However, it must be noted that the installation of smart-meters will cost the DLM an estimated amount of 4 million. In an attempt to address electriTown backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required.

There are plans underway to take over the Eskom licensed areas such as Siyathemba and Nthorwane in order to increase the revenue for the municipality. Provisions for Capacity challenges are being addressed through the revised organo-gram in order to establish a new electriTown department separated from Infrastructure Services.

3.4.3.3 FREE BASIC ELECTRITOWN

Another challenge is the roll out of Free Basic ElectriTown within the ESKOM license area, which is problematic due to systems compatibility with both electriTown providers. Further to this, maintenance, upgrade and rehabilitation of electriTown infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue.

In terms of National government mandate, DLM is meant to provide 50Kw of free basic electriTown to indigent households including areas licenced under Eskom. Currently, there are people registered as indigents who qualify for free basic electriTown. This cost the municipality the estimated amount of over R3 million per annum.

There are a number of on-going electrification projects in the municipality especially in rural areas. These include Sthandiwe settlement at about 14 households, Sophia Trust which is

about 23 households, Zone 14 at about 10 households and Zenzele at about 750 households, Ward 4 Ext 6 and Grootvlei Ext 1 informal.

3.4.4 ROADS, STORMWATER AND PUBLIC TRANSPORT

3.4.4.1 ROADS

In terms of road infrastructure, 91% of all roads in Dipaleseng are in a poor state, of which 367km are unpaved. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. The IDP also indicates that the operational budget has significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. A total of 34 kms was upgraded over the last five years. The main route is a priority area for road upgrading.

3.4.4.2 STORMWATER

There storm water master plan is currently developed, resulting in *ad hoc* projects being identified where complaints are received. Problems are being experienced in the CBD area where concrete pipes are collapsing owing to fatigue from heavy traffic loads. Dyer Street intersection with Thembi Khumalo area has been identified as a problem area as flooding of private property is occurring at various low points. Monareng Street has insufficient storm water infrastructure and also has been identified as a priority. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

3.4.4.3 PUBLIC TRANSPORT

The majority of public transport facilities in the Dipaleseng Municipality area is informal and requires serious upgrading. Table 11 below provides a summary of the state of the existing public transport facilities audited in Dipaleseng.

Table 11: Public Transport Infrastructure

FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Balfour Taxi Rank	Formal	Municipal	Off Street
Siyathemba Informal Taxi Rank	Informal	Municipal	On street
Grootvlei Rank Informal Taxi Rank	Informal	Municipal	On street
Greylingstad Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Dipaleseng Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Dipaleseng being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Dipaleseng is on the N3 South West of Dipaleseng with high traffic volumes on the main Provincial road R23 between Balfour, Heidelberg and Standerton.

The N3 between the Villiers (turn-off to Grootvlei) and Dipaleseng carries in excess of 2 000 vehicles per day while the R51 carries between 200 and 600 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.

3.4.5 SOLID WASTE MANAGEMENT

3.4.5.1 LANDFILL SITE

The refuse removal service caters for Balfour/Siyathemba, Greylingstad/Nthorwane and Grootvlei area. There is however a backlog of 25, 6% affecting mainly the informal and rural settlements. According to Gert Sibande Integrated Waste Management Plan (IWMP) Dipaleseng west and Dipaleseng east produces generates about 113 tons and 87.9 tons per day, and this is projected to increase to 123.9 tons and 97 tons per day in 2015 respectively.

The projected growth is linked to projected population growth, and emphasises a need for environmentally friendly waste management practices. The municipality has initiated a process towards the identification and establishment of a new landfill site, whilst simultaneously addressing the closure and rehabilitation of the existing site. An amount of R1m was set aside in the 2013/14 financial year, with a further R6m required in the next two financial years.

3.4.5.2 ILLEGAL DUMPING

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding. The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

3.4.6 EDUCATION FACILITIES

Access to education facilities seems to be generally fair. The municipality is developed with about 31 schools including both primary and secondary schools. This can be broken down further as follows:

- **1 Combined schools;**
- **7 Senior primary schools;**
- **10 Primary schools;**
- **6 Secondary schools.**
- **1 FET**

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of

threshold, DLM should have between 15 and 35 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 12: Planning standards for educational facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 8 and 10 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratio's are important aspects which must be borne in mind for future planning and development in the area.

Tertiary education facilities include the new FET College (which is now housed at Balfour Hoer and Lear School pending construction works currently underway.

There are approximately 18 early childhood educational facilities within DLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

3.4.7 HEALTH INSTITUTIONS

There are approximately five mobile clinics that serve the municipality and 3 permanent clinics. The backlog is mainly in the Siyathemba where the majority of the population lives. There is a need for a hospital for Dipaleseng area, for now Heidelberg and Standerton are used pending the building of a Hospital in Dipaleseng. Emergency Rescue Services (EMRS) is located in Grootvlei

Table 13: Planning Standards for Health Facilities

Facility	Catchment population	Distance & Walking time	Location factors
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and bus ranks and shops.
Clinic	Small:5 000-10 000 Large: 30 000-50 000	1km / 20min	
Hospital	10 000-80 000	90km(1h 40min)	

Source: Provincial Planning & Development Commission

3.4.8 SPORTS FACILITIES

Municipality has a total of 4 sports complexes, namely Siyathemba Playgrounds, Nthorwane Playgrounds, Grootvlei and Balfour Playgrounds. In addition, there is an area year-marked to build a Stadium, and the Grootvlei Swimming Pool. Siyathemba, Nthorwane and Grootvlei, particularly and the surrounding settlements are poorly provided with sports facilities.

Urban renewal programme in the Balfour North, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Siyathemba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the upgrading of a swimming pool which will cater for the residents of Grootvlei and surrounding areas. The same project will be done in Siyathemba in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

3.4.9 POLICE STATIONS

There are two permanent police stations within DLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Dipaleseng has three libraries, located in its area of jurisdiction, namely the Siyathemba Public library currently burned during mass protest, Balfour, Greylingstad and Grootvlei. Dipaleseng Municipality participates in crime policing forums through the Office of the Speaker.

The DLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Siyathemba, Nthorwane and Grootvlei in order to fight

against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licenced areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

3.4.10 LIBRARIES

A main library is located in town while satellite libraries are found in outlying areas such as Greylingstad and Grootvlei. Provision of libraries in the Siyathemba should be prioritised given the structure of the population and lack of such facilities in the area.

Dipaleseng Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next projects.

3.4.11 COMMUNITY HALLS

The DLM has six community halls within its area of jurisdiction; there is a need for additional about nine halls based on the size and geographic spread of the population. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated.

3.4.12 CEMETERIES

Access to burial facilities is one of the key challenges facing the Dipaleseng Municipality. There are 09 cemeteries (04 formal or registered and 03 informal burial sites). Registered cemeteries include 1 cemetery in Siyathemba, Balfour, Greylingstad cemetery, Nthorwane, Dipaleseng cemetery, Siyathemba and Nthorwane cemeteries. One of the unregistered cemeteries is Nthorwane cemetery to the south of the Dipaleseng town. However, only two formal cemeteries are in operation, namely Balfour and Siyathemba cemeteries.

Although Balfour Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the Dipaleseng community.

Similarly, the Balfour Cemetery which serves as a regional facility for the whole of Dipaleseng and beyond is also fast approaching Capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Siyathemba,

Greylingstad and Grootvlei have been closed due to unfavourable geological conditions (high water table).

In response to the above cemetery challenges, the Dipaleseng Municipality has commissioned an investigation of identifying new suitable sites for cemeteries. This project is aimed to be completed by September 2014 and the planning exercise will begin through implementing the Environmental Impact Assessment (EIA), and other processes.

3.4.13 SUSTAINABLE HUMAN SETTLEMENTS

Dipaleseng Municipality Housing sector plan was adopted by Council in 2010 and is subjected to annual review. It provides an analysis of the housing situation within the municipality and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever increasing demand for housing.

The result of the influx is informal settlements or back-yard shacks. However, this plan require some review as it predates the introduction of a new national housing policy and does not provide sufficient guidance towards the development of sustainable urban human settlements.

3.4.13.1 HOUSING NEED

80% of the population resides in the urban part of the municipality. Nearly, 60% (17 216) of Dipaleseng Municipality population resides within Eastern settlements along R23. These include the townships of Siyathemba and Nthorwane, the peri-urban settlements of Grootvlei and Nthorwane, and the rural settlements of Sthandiwe, Zone 14 and Sophia Trust. Rural areas dominated mainly by the extensive agricultural farms account for only 5% of the population. It therefore, follows that housing need in the Dipaleseng Municipality area is concentrated in the urban areas, and occurs as follows:

- **Informal settlements located in close proximity to Dipaleseng Town. Settlements such as Joe Slovo indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.**
- **Peri-urban settlements located in the Nthorwane area. The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.**

Settlements located within Nthorwane area which is fast degenerating into urban slums. The majority of these are located to the north of Siyathemba Township and the Grootvlei area.

Organized land invasion in areas such as Sizanani Farm and at the peripheries of Siyathemba. Again this serves to highlight a need to create settlement opportunities closer to employment opportunity areas. Other areas that require attention in terms of the development of sustainable human settlements include the following:

- **Zenzele area which includes both tenants and informal areas.**
- **Small mining towns, the majority of which are located along the southern boundary of the municipality.**
- **Isolated settlements located on agricultural land Zone 14 is a relatively good example in this regard.**
- **Settlements being established in terms of various elements of the land reform programme.**

The housing sector plan estimates housing backlog at between 6000 and a Housing Waiting list of 4 000 people.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Siyathemba, Nthorwane, Grootvlei and Balfour area, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure.

It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Dipaleseng. In order to address the housing need the Balfour north development and Siyathemba town need to be integrated and the quadrant between the R23 and the R51 must be unlocked for housing development.

3.4.13.2 INFORMAL SETTLEMENTS

As indicated on table 14 below, informal settlement is one of the key challenges facing the DLM. The total demand for dwelling units (in informal settlements) can thus be calculated at approximately 6 000 units (this figure could however be much higher/lower depending on the number of households for the Joe Slovo, Zenzele and Grootvlei Ext 1 Informal Settlement).

Table 14: Informal Settlements

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRITOWN
Joe Slovo Informal Settlement	800	2000	50ha	Access	Water borne	Yard stand pipe	One a week	Mun
Grootvlei Informal Settlement	700	1000	56ha	Access	Long -drop	Stand Pipes	One a week	None
Zenzele Informal Settlement	1500	3500	NA	None	Long -drop	Stand Pipes	None	None
Grootvlei Ext 1 Informal Settlement	1000	5500	N/A	None	Long -drop	Stand Pipes	None	None
Ward 3 Informal Settlement	60	300	NA	Access	Long -drop	Stand Pipes	One a week	None
Ward 4 Peripheries	100	800	NA	None	Long -drop	None	None	None
Ward 01 Peripheries	200	2500	NA	None	Long -drop	None	None	None
Ward 2 Peripheries Informal Settlement	100	300	NA	None	Long -drop	None	None	None
Informal Ext 5,6 and Lindukuhle Settlement	600	3000	NA	None	Long – drop/waterborne	None	None	None
Rural Informal Settlement	550	4591	N/A	Access Roads	Long -drop	Bore holes	None	None

3.4.13.3 HOUSING DELIVERY

In stark contrast to the huge demand, are the mere 2000 units that were built over the past 10 years. The Pipeline projects are as follows:

- **Ward 1: Housing – 75 beneficiaries**
- **Ward 2 : Housing – 75 beneficiaries**
- **Ward 4: Lindukuhle: Housing – 52 beneficiaries**
- **Ward 4 Housing 55 beneficiaries.**

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development.

The municipality has submitted an application to the Department of Human Settlement for Community Residential Units in Grootvlei Ext 1 and social housing at Erf 1835 Balfour. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

3.4.13.4 URBAN RENEWAL

Siyathemba Nthorwane and Grootvlei are the three main townships located within Dipaleseng Municipality area of jurisdiction. The area, generally referred to as the (Siyathemba, Nthorwane and Grootvlei areas) is the main focus of urban renewal initiatives by the municipality.

To this extent, a regeneration framework should be developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development. Key performance areas with their identified strategies identified include:

- **Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.**
- **Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.**
- **Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones,**

multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.

- **Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).**

3.4.13.5 UPGRADING AND FORMALISATION OF GROOTVLEI AREA

The Dipaleseng Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- **Effective environmental management.**
- **Provision of bulk engineering services, particularly waterborne sewerage.**
- **Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.**
- **Promoting local economic development through the development of a new town centre in the area.**
- **Introducing an effective land use management system.**

It further acknowledges the importance of R23 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed Balfour Town Centre.

3.5 LOCAL ECONOMIC AND SOCIAL DEVELOPMENT

Dipaleseng Municipality has a legal mandate to promote social and economic development within its area of jurisdiction. It is also required in terms of Section 153 of the Constitution, to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

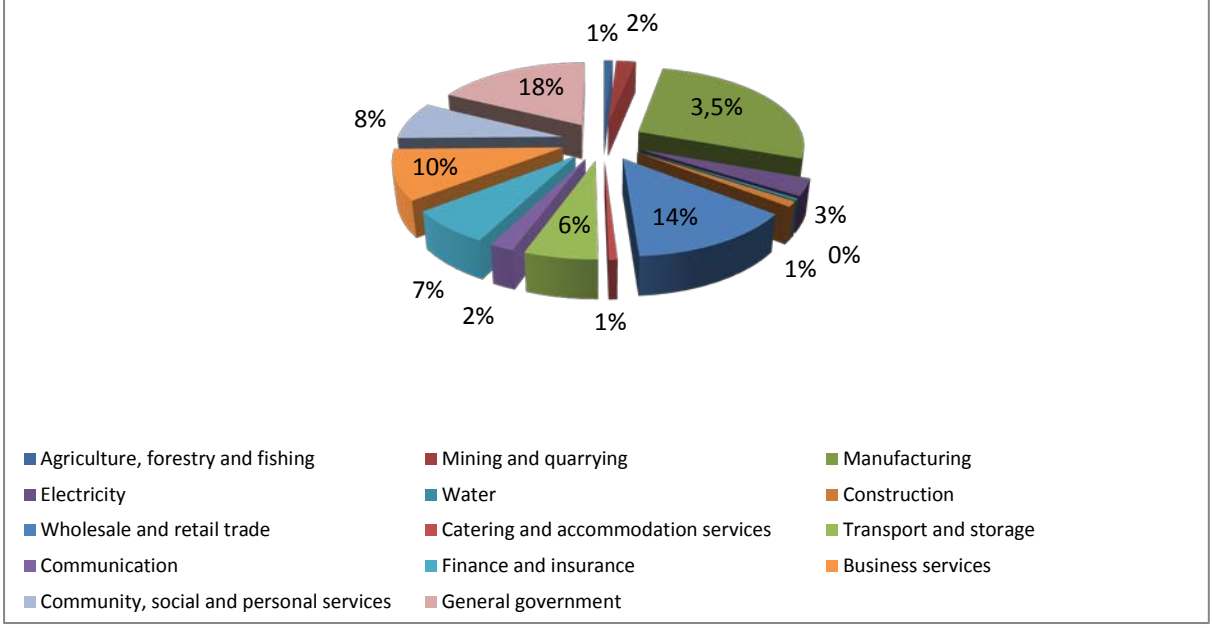
In furtherance of this mandate, Dipaleseng Municipality has initiated a process towards the development of a Local Economic Development (LED) Plan as a sector plan to the IDP and a strategic guide for promoting equitable economic development. It should however be noted that LED strategy is in place though projects and programme identified lack funding

3.5.1 SIZE AND STRUCTURE OF THE LOCAL ECONOMY

The graph below displays the sectoral contribution to total Gross Value Added (GVA) within the municipality, which is a measure of the regional gross domestic product contribution. The economy of Dipaleseng is largely driven by the Trade sector, which contributes approximately 23% to total GVA. This equates to almost R2, 9 billion of the total R10, 5 billion GVA generated.

This is higher than both the district and Provincial GVA contribution of approximately 25% and 22% of total GVA respectively. The manufacturing sector has only experienced modest decline in the past decade (2000 – 2010), with an average real annual GVA growth rate of 0.6%, in comparison with Provincial average growth of 2.2%.

Figure 17: Economic Sectors



Source: Urban-Econ calculations based on Quantec Data (2012)

Other key sectors in terms of GVA contribution are the general government sector; wholesale and retail; and finance and business services sector. GVA generated through general government services approximately R1,8 billion, which contributes 17.6% to total GVA. This sector has experienced average annual real growth of 2.6% per annum. Just over 17% of GVA can be attributed to finance (6.9%) and business services (10.2%), which collectively generate R1.8 billion worth of GVA to the Dipaleseng economy.

These have also been the fastest growing subsectors, with finance and insurance services growing at an average rate of almost 9% per annum since 2000, and business services growing at 6.2% over the same period. Wholesale and retail trade contributes R1.4 billion to the local economy, which accounts for almost 14% of total GVA. Wholesale and retail trade have been growing at a modest rate of 2.63% per annum from 2000 – 2010.

3.5.2 TRADE

Trade is the largest contributing sector within the district economy, contributing approximately 25.2% to total GVA. Manufacturing activities in GSDM include metal production, chemicals and plastics, pharmaceuticals, clothing and textiles, food and beverages, leather and footwear. Most large industry is located within GSDM, which accounts for over 83% of total GVA in the Gert Sibande manufacturing industry, followed by Msukalikwa with 12.7% and Govan Mbeki with 3.8% of GVA.

Table 15: Formal Employment within Dipaleseng (2011)

Industry	Number employed	Average annual growth (2000 – 2010)	Percentage contribution
Food, beverages and tobacco	435	-6.0%	3.8%
Textiles, clothing and leather goods	878	-6.7%	42.6%
Wood, paper, publishing and printing	346	-5.2%	3.0%
Petroleum products, chemicals, rubber and plastic	840	-3.5%	7.3%
Other non-metal mineral products	416	-6.1%	3.6%
Metals, metal products, machinery and equipment	373	-3.0%	27.7%
Electrical machinery and apparatus	130	-4.9%	1.1%
Radio, TV, instruments, watches and clocks	74	-4.9%	0.6%
Transport equipment	169	-6.9%	1.5%
Furniture and other manufacturing	992	-3.4%	8.7%
Total / average	11454	-5.1%	100%

Source: Urban-Econ calculations based on Quantec Data (2012)

Furniture and other manufacturing contributes 10%, while the 'textiles, clothing and leather goods' industry contributes 8% to total GVA within Dipaleseng. Both these sectors have experienced negative growth, with average annual growth at -0.57% and -1.5% respectively. Other less significant contributors are 'food, beverages and tobacco (5%)' and 'other non-metal mineral products (3%)', with 'transport equipment' and 'wood, paper, publishing and printing' both contributing 2%.

The 'non-metal mineral product' and 'wood and paper industries' experienced the most negative growth rates with -3.3% and -3.1% per annum on average since 2000 respectively.

The table above illustrates formal employment within the manufacturing industries in Dipaleseng, the percentage contribution of each industry, as well as average annual growth in employment from 2000 – 2010.

It is clear from the table above that the textile industry is the largest contributing employment sector, with over 42% of total employment in manufacturing. This is despite the industry only contributing around 10% to total GVA, which indicates that textiles has the potential to create large amounts of employment. This industry has however experienced one of the highest negative average annual growth rates since 2000, of -6.7% per annum.

Dipaleseng accounts for approximately 26% of all textile and footwear manufactures in the district. The industry is however under threat, with a large number of textile manufacturers recently being closed down due to non-compliance with labour regulations. This has significantly reduced the size of the textile industry, over and above the decline already

experienced over the past few years due to the dominance of Chinese textiles, with thousands of jobs being shed in the past few months already.

Many textile manufacturers who cannot afford to comply with labour regulations have reverted to using their factory space as storage for imported textiles from China, while others are relocating to Lesotho and Mozambique. These countries present low labour costs as their competitive advantage. A major concern on the side of textile manufactures is that there has been little to no support for them during these bargaining council discussions.

This issue is a complex one, especially because it results from National labour regulation, and therefore cannot be resolved through local initiatives. The worrying factor is that this industry accounts for over 40% of employment in the municipality, which is estimated to have declined by at least half since the end of 2010. The metals industry, despite contributing the greatest to total GVA, only contributes 27.7% to total employment.

This indicates that the industry is less labour-intensive than industries such as textiles. Other significant contributing industries are 'furniture and other manufacturing' with 8.7% of total formal employment, and 'petroleum products, chemicals, runner and plastic' with 7.3% of formal employment. Of concern is the decline in employment within all industries of the manufacturing sector since 2000.

The sector has declined at an average annual rate of -5.1%, which represents a loss of over 800 jobs within this sector between 2000-2010. The strategy must ensure that job losses are addressed as a priority while taking steps to reverse the recent situation through the creation of new manufacturing jobs within key industries.

3.5.3 TOURISM

The tourism sector is currently a small contributor to the region's economy, but holds a number of opportunities that can be explored. The DLM forms part of the Battlefields Route. This route attracts 3% of foreign visitors to MP annually and approximately 2 000 domestic tourists (TMP Tourism Statistics, 2010).

GSDM has developed a Tourism Development Plan, as well as a development plan for the Battlefields route. The Tourism Development Plan seeks to implement strategies that would create facilities and the marketing of draw card attractions and activities in the district, while the Battlefields Development Plan seeks to the Battlefields located within the Gert Sibande District Municipality that have never reached their full tourism potential.

It is estimated that the DLM generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 166 jobs in the municipality (Tourism Sector Report: 2004).Comparative advantages identified within the Tourism Sector, are:

- **Strong and well preserved historical heritage with well-developed museum structures.**
- **Falls within Nthorwane and engenders good linkages to this cultural heritage.**
- **Halfway point on N3 between two major centres, Johannesburg and Durban.**
- **Gateway to Scottish Regime.**

3.5.4 AGRICULTURE

Agriculture contributes about 0.7% to the local economy. While the contribution of the agricultural sector in Dipaleseng may seem particularly low, it remains an important sector for the following reasons:

- **The sector has the potential to create jobs.**
- **The pursuit of national food security requires continued agricultural production and investment.**
- **While primary production accounts for 4.5% nationally, the larger agro-food complex contributes an addition 9% to GDP (South Africa, 2001). This contribution to GDP is concealed in the manufacturing and trade sectors GDP figures.**
- **A focus of support to agriculture is important to build Capacity and productivity in land reform projects.**
- **Agricultural development and support is aligned with prevailing rural development policy objectives.**
- **There are a number of catalytic agricultural projects that have been identified for Dipaleseng Municipality.**

Animal production, Forestry and Agronomic (Field) crops are the key farming enterprises in the region. The high contribution of Beef cattle sales emphasises the high proportion of grasslands occurring in the area. Maize for the production of grain is the major agronomic crop, followed by Sunflower and Soya.

Dairy was a significant contributor to Provincial GFI in 2002. Local Farmers Association members report that `1the Dairy Cooperative, which used to service 28 Dairy farmers in the

Grootvlei, Greylingstad and Balfour area, was bought out by Clover and subsequently shut down. The cooperative acted as a catalyst for dairy and value adding projects. There used to be 28 dairy farmers in the Dipaleseng area and since the closure of the Cooperative, numbers of dairy farmers has declined to three active dairy farmers in the area.

According to local farmers, the key commodities produced in Dipaleseng are:

- **Agronomic crops – mainly soya, maize and sunflower**
- **Extensive beef production**
- **Poultry – broiler and layer production**
- **Wool and mutton in some regions, although this is on the decline**
- **Other manufacturing and processing activities are as follows:**
- **Cattle and sheep abattoir – halaal**
- **Poultry abattoir**
- **Grain mills – mostly private, with mill maize for whole maize, crush for poultry and maize meal for human consumption – hominy chop sold off as an animal feed**
- **Local soya processing.**

Agriculture in Dipaleseng faces a number of challenges. These include issues of land tenure and freehold, low penetration of commercial farming activity, low skills base of emerging farmers, land claims, increasing production costs, high transport costs etc.

Gert Sibande District Municipality commissioned a district level agricultural plan, which was completed in 2006. The main agricultural potential areas of the Gert Sibande District Municipality are intensive farming, irrigation, dry land farming and stock farming. The focus of Dipaleseng Municipality's agricultural planning is centred on the following investment opportunities:

- **Soya bean production linked into oilcake and biodiesel production.**
- **Dairy products have massive potential. This include dairy based agri-processing opportunities for yoghurt, ice-cream, powdered milks, custards production.**
- **Agri-processing: Expanded production in fruits, vegetable and nuts generates new opportunities for specialist agri-processing. Juicing, drying and canning are all reasonably low capital cost options for fruit processing while opportunities for cold processing (vegetables, herbs and aromatic plants), nut cracking and pressing,**

distillation of essential oils and hot processing of citrus (jams and spreads) are all highly viable in Dipaleseng.

- **Meat processing (both game and cattle) is an attractive option for investment. Game meat has grown in market share both locally and internationally. The Agricultural Plan estimated that an additional 3000ha of grazing land is currently underutilized in the municipality, representing a considerable opportunity in the offing.**
- **Aquaculture development with the major thrust being an aquaculture processing plant.**

3.5.5 INFORMAL SECTOR

The informal sector is especially evident in the Dipaleseng CBD. In the CBD, informal street trading is mostly concentrated along the northern end of Mury Street, around the bus and taxi rank and in the parking courts immediately adjacent to the rank. Trading structures have been erected in the Taxi rank close to its intersection with Mury Street, in the bus and taxi rank and on the triangular shaped site at the Southern end of Sifiso Zwane Street; these structures are of good quality although their position does hinder traffic flow.

The Siyathemba area accommodates more than 70% of the municipal population yet it is the most underdeveloped in terms of infrastructure and economic development opportunities. It has been selected for urban/township regeneration, in part, as a means to address the spatial distortions and economic marginalization inherited from the apartheid past. Informal trading is prevalent in nodal areas and exhibits the following characteristics:

- **Informal trading takes place in the vicinity of taxi ranks, town centres and major public facilities (e.g. clinics, schools and pension pay points).**
- **The majority of informal traders are involved in small operations which involve a relatively small number of people.**
- **Most traders have are not authorized to undertake street trading and do not belong to a formal structure but would like to be part of one.**
- **High concentrations of informal traders in places such as taxi ranks create pressure on the available infrastructure and causes chaos.**
- **The operators who try to work within the rules are becoming frustrated at the lack of regulation.**

- **There is a general lack of market infrastructure (i.e. safe and secure trading sites) and general infrastructure (i.e. roads, electriTown, water, sewerage).**

The LED strategy identified the following key areas of focus (strategic intervention areas):

- **Sectoral development which includes tourism, commerce, manufacturing (industry) and community services.**
- **SMME development and support.**
- **Business support programme.**
- **Infrastructure development and upgrading.**
- **Housing delivery.**

3.5.6 MINING

Mining forms an important component of the economy of Dipaleseng and the history of organized mining in the municipality which has generated associated industries. Mining activities includes coal mining, brick clay, Iron Oxide, dimension stone, aggregate and sand. Particularly two areas are of interest, namely Brakfontein and the Grootvlei area.

3.5.6.1 COAL MINING

Mintek (2007) estimates that 23% of the coal resources still remain within the Grootvlei coalfield, of which 51% are found in the Top seam and 49% within the Bottom seam. The coal reserves can (and probably will) be increased with additional coal exploration.

It is also estimated that there are approximately 4.5Mt of *in situ* coal within the Balfour coalfield – a large portion of which is located within the Rooi-Val. The vast majority (87%) of this coal is considered to be thermal (or steam) coal with a minor portion (8%) of anthracite and 5% of metallurgical coal.

The only coal mining and associated operations that appear to be taking place within the LM are related to dump / stockpile reclamation along the Grootvlei outside Dipaleseng and to the east near the old Springfield Colliery, as well as a char plant and siding stockpiles (for coal from outside the Dipaleseng area) within the Ogies area.

There are a number of areas where mining has ceased through decommissioning or abandonment, but rehabilitation has either not taken place or is incomplete. These include:

- **GBG Gold Mine**
- **Rooi - Val Gold (Grootvlei area)**

- **Springfield Colliery at Grootvlei**

This has implications for environmental management in terms of water, ground stability and issues of safety. Many of the operations were underground with a number of audits (underground access points) that were linked to a single mining entity or operation. This has an impact on potential land use; however the footprint of the workings cannot be determined from surface[2].

According to the DMR, there are several prospecting projects that are currently being carried out within the DLM. The accuracy of this data is questionable as there are duplicate holders of prospecting rights over the same farms and farm portions. Nevertheless, coal applications are located north-south and east of the R23. In September 2010 a six month moratorium on prospecting right applications was put in place to audit the applications, process and irregularities. It is therefore important for the LM to obtain an updated database from the DMR.

3.5.6.2 IRON OXIDE

Iron oxide potential is concentrated east of Dipaleseng within the Balfour /Siyathemba areas. Two mines appear to have been operational to the far east of Siyathemba, with a number of abandoned areas of mining or with mining potential. However, field verification of these areas show no latent evidence of mining, with most being within areas that are now built up. It is now unclear whether surface disturbance within these areas is from mining or construction activities. In general, it would appear that the deposits are small and may have been mined out. Mining of weathered dolerite within the area may be a source of iron oxide for pigment; however much of this may also be used in the construction industry.

3.5.6.3 BAUXITE (AL)

Several bauxite occurrences have been reported from within the Dipaleseng LM. These can be found to the west and southwest of the town, but are all considered to be of insufficient scale and / or grade to be economically viable at this stage. However, further detailed exploration may well prove otherwise. At this stage, bauxite is unlikely to be mined within the LM therefore the potential environmental risk is low.

3.5.6.4 DIMENSION STONE

In the Dipaleseng area, there is an abundance of dolerite and sandstone, which both have potential as sources of dimension stone. The dolerite is commonly very dark in colour – due

[2] An application for access to the DMR records of the final mine plans for these operations is recommended.

to its fine grain size and enrichment in magnetite – with the result that it is often commercially attractive and is marketed as "Black Granite". Despite this, there do not appear to be any dimension stone mines within the Dipaleseng LM. Dolerite outcrops throughout the LM, primarily west of the R23. Although the quality of these deposits for use as dimension stone is currently unknown, there is significant potential.

3.5.6.5 SAND WINNING

There are plenty of quaternary deposits along stream and river courses for sand winnowing (such as along the Grootvlei, and Val Rivers) In the Dipaleseng area. Much of the sand mining within the Dipaleseng LM is associated with the wetland areas adjacent to water courses and not within/immediately adjacent to the dynamic zone.

Sand mining was prevalent east and southeast of Dipaleseng town in close proximity to the target market (Grootvlei building industry. This has serious environmental implications. According to the DMR there is only one sand application (mining permit) northeast of Grootvlei from 2005. The accuracy of this data is questionable and appears to be an irregularity as the area covered by this permit far exceeds 1.5 ha (the limit of a mining permit).

3.6 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Dipaleseng Municipality is a Category B Municipality. It functions under the Mayoral Committee system, consisting of 3 members. The Mayor is elected from the Executive Committee. The Council consists of 12 Councillors of which 4 are full-time Councillors. 6 of the 12 Councillors are ward elected councillors while the other 6 comprises of proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Mayoral Committee serving as a Chairperson.

3.6.1 GOOD GOVERNANCE

3.6.1.1 INTEGOVERNMENTAL RELATIONS

Dipaleseng Municipality participate in the District IGR forum which is in two folds, the Mayors Forum and the Technical Forum for Municipal Managers. These Forums gives the strategic and political direction for all municipalities within the District particularly on planning and development.

There is also a Growth and Development Summit that is being held annually for municipalities to discuss development agenda for the region. Dipaleseng being the District

bub takes the leading role as well as the centre stage on infrastructure development and economic issues.

At the Provincial level, the municipality participate on the Premiers Co-Ordinating Forum and Min-Mec Forum for Municipal Managers. For Economic Issues, the municipality participate on.

3.6.1.2 AUDIT FUNCTION

The requirement for municipalities and municipal entities to establish Audit Committee is contained in Section 166 of the Municipal Finance Management Act 56 of 2003 and article 14 (2)(a) of the Municipal Planning and Performance Management Regulations 2001.
The Audit Committee is an independent advisory body, appointed by Council to assist Council in discharging their responsibilities.
The Audit Committee Charter sets out the committee specific responsibilities and details the manner in which it will operate.

3.6.1.3 OBJECTIVES

- Maintaining oversight responsibilities of all financial and performance reporting.
- Seek reasonable assurance that the operations of the municipality are conducted efficiently and effectively.
- Seek reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- Seek assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

3.6.1.4 INTERNAL AUDIT

- Review and approve the Internal Audit Charter
- Review of the Audit Committee Charter and submit to council for approval
- Advise Council as to whether the internal audit unit is given the resources and operational independence required to fulfill its role as outlined in the Internal Audit Charter.
- Review and approve the annual risk based internal plan
- Ensure that all identified risk areas are prioritized and incorporated in the annual audit plan.

Receive and review the quarterly internal audit report on the implementation of the internal audit plan and any of the matters relating to;

- ✓ Internal Audit
- ✓ Internal controls
- ✓ Accounting procedures and practices
- ✓ Risk and risk management

- ✓ Performance management
- ✓ Loss control
- ✓ Compliance with the Municipal Finance Management Act, division of Revenue Act (DORA) and any other applicable legislation
- ✓ Investigate any other matter as requested by the Municipal Manager

- Receive reports prepared by the internal audit unit on significant findings and recommendations to address those findings together with management responses with timeframes to implement recommendations.

- Ensure that all findings and recommendations as per 4.1.7 are adequately addressed by management.

3.6.1.5 INTERNAL CONTROL

- Evaluate the overall effectiveness of the internal control and risk Management frameworks and consider whether recommendations made by the internal and/or external auditors have been implemented by management.

- Assess whether proper adequate accounting records are being maintained.

- Ensure that Council has the necessary policies in place to protect and safeguard assets and to ensure legal compliance with all relevant legislation. Examples - Prevention of Fraud Policy, Procurement Policies

3.6.1.6 MUNICIPAL GOVERNANCE STRUCTURES

The Dipaleseng Municipality has 12 democratically elected Councillors which constitute the council. Council meets at least QUARTERLY and is the final decision making body within the municipality.

The Mayoral Committee (MC) is responsible for the day-to-day running of the organization, and decision making. They meet regularly to receive reports from the Municipal Manager. Mayoral Committee is supported by the following portfolio committee, who serve as oversight structures in respect of various line functions and responsibilities of the municipality:

PORTFOLIO	INITIALS AND SURNAME
Finance Chairperson	Cllr. NS Nhlapo :**Mayor**
Infrastructure Services Chairperson	Cllr. MT. Tsotetsi
Community Services Chairperson	Cllr. MD Khanye
Planning & Development Chairperson	Cllr. MD. Khanye
Corporate Services Chairperson	Cllr. MT. Tsotetsi

In addition, the municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the Municipality. The structure and current membership of this committee is indicated on the table below:

PORTFOLIO	INITIALS AND SURNAME
MPAC	Cllr. DS. Sithole
MPAC	Cllr. N Zwane
MPAC	Cllr. TJ Mahlangu
MPAC	Cllr. W. Davel
MPAC	Cllr. AS Motloung

3.6.2 PUBLIC PARTICIPATION

3.6.2.1 MECHANISMS FOR PARTICIPATION

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Dipaleseng Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

- **IDP Representative Forum (IDP- RF): This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.**
- **Media: Local newspapers will be used to inform the community of the progress of the IDP and further due meetings' including the IDPRF and community road shows.**

- **Radio Slots: The Dipaleseng Community radio station will be used to make public announcements when established.**
- **The Dipaleseng Website: The Dipaleseng Municipality's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.**
- **Ward Committees: The Dipaleseng Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees will be represented in the IDP- RF meetings and their inputs are always considered. They will also being used to disseminate the information about the developmental agenda of the municipality.**
- **IDP/ Budget Road Shows: The Dipaleseng Municipality will be hosting its community road shows through ward committee system to publicize the draft IDP and Budget during April and May 2014. The venues for these meetings will be publicized at the IDP RF, public places and as well as through the local print media.**

3.6.2.2 WARD COMMITTEE SYSTEM

The Municipality has six (06) wards, and each ward has a Ward Committee. In line with the requirements of Outcome 9 All of these wards combined at a municipal wide level shall constitute a Region. The region shall be divided into two (2) zones, *viz*;

- **Zone A which will have 30 wards Committees.**
- **Zone B which will have 30 wards Committees.**
-

The Ward Committee system shall be structured according to the following fora:

- **Zonal Ward Committee Fora,**
- **Regional Ward Committee Fora,**

A public Participation unit established in the Office of the Municipal Manager and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approve Ward Committee policy.

3.7 FINANCIAL VIABILITY AND SUSTAINABILITY/PROFILE

3.7.1 FINANCIAL MANAGEMENT POLICIES

The following Financial Policies have been developed and adopted by the municipality:

- **Asset Management Policy**
- **Cash Management & Investment Policy**
- **Credit Control Policy**
- **Supply Chain Management Policy**
- **Municipal Property Rates Policy**
- **Credit Control, Debt Collection and Customer Care Policy**
- **Tariff Policy**

3.7.2 PROPERTY RATING SYSTEM

The Municipality implemented the new valuation roll compiled in terms of the Property Rates Act, 6 of 2004, on 1 July 2010. All properties under the jurisdiction of the Dipaleseng Municipality are now included in a single valuation roll.

3.7.3 FINANCIAL PERFORMANCE

The revenue base of the Municipality has increased from R51 014 835 in 2009 to R 20 050 630 in the financial year ended 30 June 2012. This represents phenomenal growth ranging from 53% in 2010, a slight decline of 8% in 2011 and 20% increase from 2011 to 2012. The 20% growth in 2012 was attributed to Landfill Site Provision Adjustment of R50, 7 million and Doubtful Debt Adjustment of R137 million.

These adjustments were mere book entries, and thus not indicative of revenue actually earned, during the year under review. The last two year's increases were significantly higher than the inflation rates which is indicative of good performance by the Municipality, although there was slight decline of 8%, which was caused by the reversal of impairment of investment in Fortuna Water of R363 801 328.00, in 2010 which was a mere book entry and thus not indicative of revenue actually earned.

All major revenue streams showed a sharp increase of 28% in 2011 if we ignore the effect of reversal of impairment of investment in Fortuna Water and acceptable increase of 10% in 2012, which is a comforting scenario.

TABLE 16: CHANGES IN REVENUE 2009 - 2012

Year	Total Revenue (R)	% Increase
2012	1 420 050630	20%
2011	1 182 506 661	-8%
2010	1 289 670 253	53%
2009	850 774 918	

From the table above, the municipality generates more than half its total revenue base from service charges, which is 48%. The other significant sources of revenue are Property Rates 11%, and Government grants and Subsidies 25%.

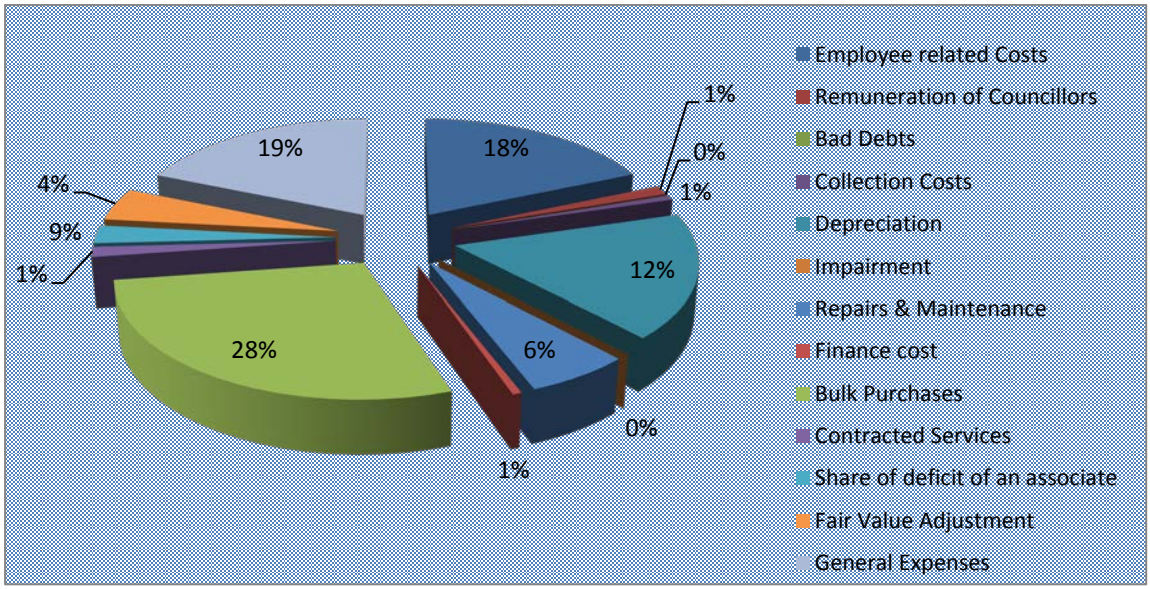
All other revenue sources are not considered significant and have not formed part of this analysis. The percentage contributions of various income sources to total income have remained constant in the years under consideration save for the Property rates which used to contribute 19% in 2008 and have shrunk to around 11% in 2012.

The Government Grants and Subsidies on the same token have increased by 91% from 2009 to 2012. In the Analysis below, the focus is on the material revenue contributing elements in order to analyse their behaviour. In total these contributed R1 195 320 900 to the Municipality's R1 420 050 630 revenue in 2012, which represents over 84% of the Municipalities revenue base.

TABLE 17: CONTRIBUTIONS BY MATERIAL REVENUE ELEMENTS

Item	% Contribution 2012	2012 (R)
Property Rates	11%	157 893 000
Service Charges	48%	683 860 407
Rental of facilities and equipment	0%	5 703 174
Interest earned - External Investments	2%	23 125 136
Fines	0%	1 572 104
Governments Grants & Subsidies	25%	352 567 493
Doubtful adjustment debts provision	10%	137 038 490
Landfill site provision adjustment	4%	50 765 425
Other Income	0%	6 525 401
Total Revenue	**100%**	**1 420 050 630**
Percentage Increase		**20%**
Contributions by material revenue elements		**1 195 320 900**
%Contributions by material revenue elements		**84%**

The following graph depicts a contribution of major revenues elements:

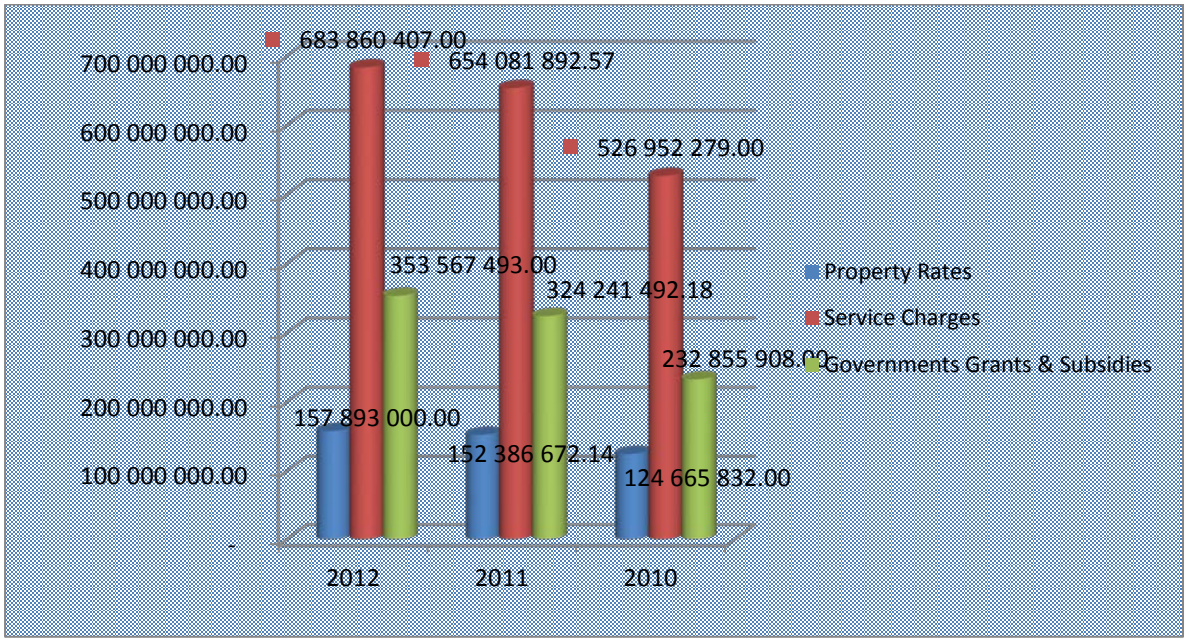


The table below reflects the movement in these revenue streams in the period under consideration. The pattern has, indeed, been erratic and therefore very little conclusions can be reached at this stage. There could very well, be cut-off or allocation issues in the presented numbers. The exercise has not, at this stage, zoomed into an in-depth analysis.The following tables depict movements of major revenue sources:

Line Item	2010 (R)	2012 (R)	2013 (R)
Property Rates	124 665 832	152 386 672	157 893 000
Service Charges	526 952 279	654 081 893	683 860 407
Governments Grants & Subsidies	232 855 908	324 241 493	353 567 493

Line Item	Increase (Decrease)		
	2010	2012	2013
Property Rates	-28%	22%	4%
Service Charges	15%	24%	12%
Governments Grants & Subsidies	26%	39%	9%

The following is a graphical presentation of the patterns of movements of these elements.



3.7.4 EXPENDITURE

The total expenditure of the Municipality has decreased from **R1 327, 6** million in 2011 to R1 230, 1 million in 2012. The decrease of 8% is as result of our revision of provision for doubtful debts which decreased significantly due to risk profiling exercise which was conducted by the independent ICT Company. The consequence of the sharp decline in doubtful debt provision resulted in municipality not accounting for debt impairment in the Statement of Financial Performance.

As evident from the table below,moreover, the trends in increases of expenditure far outweigh those in revenue indicating that, at face value, the Municipality has a serious challenge to curb expenses. Whereas it is understood that the sharp increase of expenditure increase is caused by the government call to improve and speed up service delivery to the poor and needy communities in the backdrop of "service delivery protests" to which the municipality has responded so well, nonetheless if these trends continue there will be a major challenge to afford the operations of the Municipality with the revenues that it generates, unless if new revenue streams are identified and exploited.

Year	Total Expenses (R)	% increase/(decrease)
2013	1 230 100 471	(-8%)
2012	1 327 668 613	58%
2011	837 794 672	(-6%)

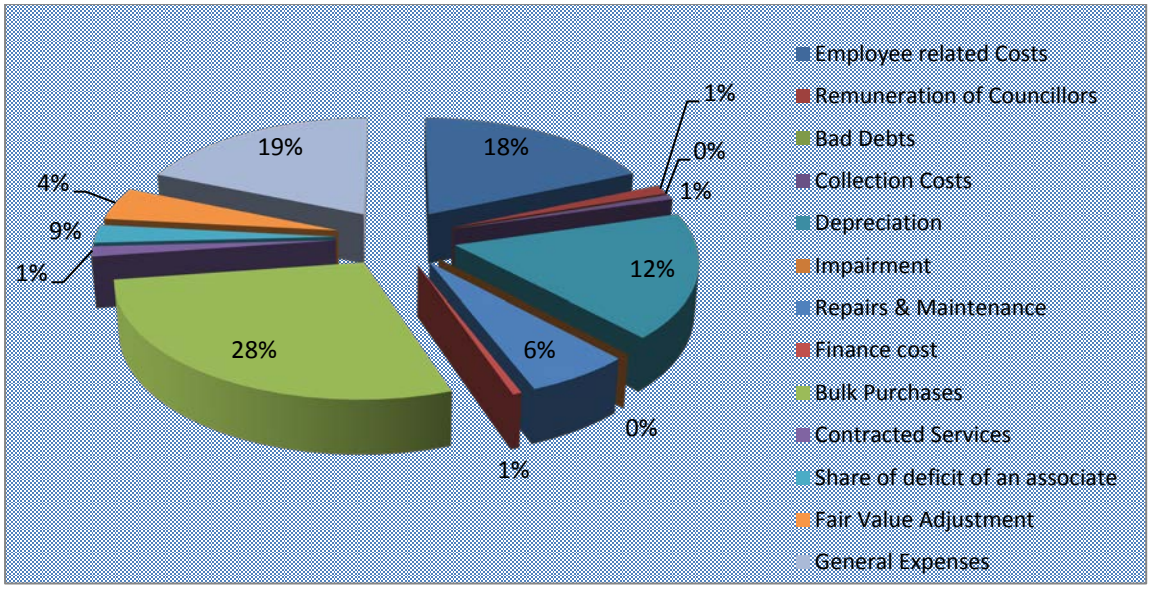
Below is a table of the proportionate contributions of each expenditure element to total expenses. The major expenditure drivers for the municipality are the following:

- **Bulk purchases**
- **Employee related costs**
- **General expenses**
- **Depreciation, amortisation and impairments.**

The table below depicts contribution of major expenditure items to total expenditure:

Item	% Contribution 2012	2012
Employee related Costs	19%	230 600 985
Remuneration of Councillors	1%	16 193 188
Share of deficit of an associate	9%	112 405 248
Collection Costs	1%	8 534 242
Depreciation	18%	219 845 295
Repairs & Maintenance	6%	71 410 980
Finance cost	1%	6 650 041
Bulk Purchases	28%	349 411 144
Contracted Services	1%	17 530 983
General Expenses	12%	152 656 453
Fair Value Adjustments	4%	44 861 453
Total Expenditure	**100%**	**1 230 100 471**
Percentage Increase/(Decrease)		**(-8%)**
Contributions by material expenditure elements		**952 513 877**
%Contributions by material expenditure elements		**77%**

The graph below further illustrates contribution of the major expenditure elements to total expenditure of the municipality:



The focus is on the major expense elements, i.e. employee costs, bulk purchases, General Expenses and depreciation, amortization. These expenditure items account for R952 513 877 of total expenditure of the municipality's R1 230 100 471, representing a 77% contribution to total expenses.

The municipality needs to be applauded because the contribution of employee related costs is20% of total expenditure compared to other municipalities' country wide. This percentage is significantly lower than the prescribed threshold of 33% determined by the National Treasury.

Conversely it needs to be mentioned that critical vacant positions need to be filled in order to ensure adequate service delivery. The lower employee contribution has an adverse impact in service delivery as well support function to service delivery (i.e. Treasury and Budget Office in particular) and this aspect is discussed under organisational environment.

The following table depicts movements of major expenditure drivers:

Item	2013 (R)	2012 (R)	2011 (R)	2009 (R)
Employee related Costs	230 600 985	189 471 534	165 846 425	130 614 345
Depreciation	219 845 295	222 122 758	224 589 958	214 834 172
Bad Debts	0	174 136 888	69 147 301	104 227 317
Bulk Purchases	349 411 144	283 223 432	219 348 022	166 031 719
General Expenses	152 656 453	332 324 243	61 436 986	205 021 701
Total Expenditure	**952 513 877**	**1 091 191 721**	**820 064 375**	**866 629 668**

During the same period our analysis of General Expenses revealed an erratic pattern as it showed 68% decrease from 2009 to 2010, 68% decrease from 2009 to 2010,441% increase from 2010 to 2011 and 43% decrease from 2011 to 2012. It should be mentioned however, that the 43% decrease in the current year was due capitalisation Our analysis indicates that this could be as a result of grants from both National Treasury and Provincial Government which has increased over the years sharply in recent year. The grants that the municipality have are:

- **Municipal Infrastructure Grant;**
- **Neighbourhood Development Grant;**
- **Financial Management Grant;**
- **Systems Development and Support Grant; and**
- **Other Grants.**

Like the revenue assessment, it appears that there could be allocation challenges pertaining general expenses in 2010 as it showed erratic pattern when compared with the other year being analysed.

Despite the fact that we did not account for bad debts impairment due risk profiling exercise, the outstanding Debt of R824, 5 million remain a challenge. This scenario is disconcerting as it may have a negative impact on our liquidity position if not addressed as a matter of extreme urgency.

The take is that there is a need to embark on a solution that will yield a serious debt collection drive to curb to this situation from deteriorating further. Water, sewer, waste disposal and rates in east (former townships) are a critical factor to the strategy to reduce bad debts. It is known by the leadership of the municipality that disconnection cannot be used as a tool at this stage as electriTown which can be disconnected is supplied by Eskom.

The East has 75% bad debts. The implementation of water flow regulators was once discussed as one of the strategies but was not pursued until the constitutionality of such was confirmed. The avenue that should be considered is getting a licence to be the distributor of electriTown in the East.

We have developed 10 point Debt Management Plan to assist the municipality in curbing and collecting outstanding debtors. The plan encapsulates the following important aspects:

- **Appointment of field workers;**
- **Clarify roles and responsibilities of field workers;**
- **Friendly legal process;**
- **Outstanding accounts with no queries to be forwarded to the respective consumers for making necessary payment arrangements;**
- **Investigate the possible use of call centre for debt collection purpose;**
- **Progress reports on government debtors;**
- **Progress reports on staff and councillors debt;**
- **Identify section 21 schools and address collections;**
- **Identify additional staff requirements for debt management holistically and communicate with COO;**
- **Options in respect of Debt Management service;**
- **Investigate use of the service provider for meter reading compared to performing in-house;**
- **Fast track installation of water meters;**
- **Monitor accuracy of readings;**
- **Investigate the use of meter readers to also deliver accounts;**
- **Develop internal control for quality assurance on the delivery of accounts;**
- **Investigate E-account option for delivery of accounts;**
- **Install water restrictors;**
- **Indigent verification;**
- **Phased approach for data cleansing;**
- **Capacitate staff and field workers;**

- **Develop marketing and communication strategy;**
- **Incentive scheme – staggered approach to promote culture of payment;**

The implementation of the plan is in its early stage and it is hoped that it will yield result once fully implemented.

Furthermore, it needs to be mentioned that R104 Million relating to Water Services (FW) is actually an investment by Dipaleseng Municipality to Fortuna Water and as such was capitalized during consolidation process in 2010/2011 financial year.

The table below further illustrates increases in the major expenditure items:

Item	% Increase/(Decrease)		
	2011	2012	2013
Employee related Costs	27%	14%	22%
Depreciation, amortization and impairment	5%	-1%	-2%
Bulk Purchases	32%	29%	23%
General Expenses	-68%	441%	-43%

3.7.5 NET OPERATIONAL PERFORMANCE

Evidently the Surpluses of the Municipality have demonstrated erratic pattern as we recorded a deficit amount to R86 million in 2009, R372 million surplus in 2010, R145 million deficit in 2011 and R189 million surplus in 2012. As we alluded to earlier we still need to perform in-depth analysis of General expenses.

The extent of sustainability of revenue and the ability to increase the revenue base is, at this stage under scrutiny, thus increasing the risk of affordability of the operational expenses moving forward. An urgent understanding of these expenses and how they can best be managed is necessary to ensure that the municipality remains a financially viable.

However, our assessment reveal that the situation is not as dire as it appear, also taking into account the fact that an amount of R219 Million relates to depreciation of assets, which in its very nature a book entry to achieve fair presentation in our financial statements, but not the amount actually spent.

The table below depicts our financial performance for the past four (4) years:

Year	Total Revenue	Total Expenditure	Surplus/ (Deficit)	% Increase/(Decrease)
2013	1 420 050 630	1 230 435 257	189 615 373	**239%**
2012	1 182 506 661	1 327 668 613	-145 161 952.00	**(-139%)**
2011	1 289 670 253	917 490 355	372 179 898.00	**532%**
2010	851 014 835	937 184 278	-86 169 443.00	

It is evident from the table above that the municipality's current operational performance is healthy, save for general expenses that need further scrutiny.

3.7.6 SURPLUS

In order to elucidate the above-mentioned statement further, it is critical to note that although we achieved an operating surplus of R 9 million, it is always prudent to eliminate non-cash items recorded in the Statement of Financial Performance in order to gauge our operational performance.

The table below demonstrate that if we eliminate non-cash items, our surplus is in fact R378, 9 million.

Line Item	2013
Surplus	189 615 373
Less: Doubtful Debt Provision Adjustment	-137 038 490
Less: Landfill Site Provision Adjustment	-50 765 425
Plus: Share of deficit of Associate	112 405 248
Plus: Fair Value Adjustments	44 861 862
Plus: Depreciation and Amortisation Expense	219 845 295
Surplus	**378 923 863**

Although this scenario look good at face value, caution need to be exercised as revenue earned did not translate to actual cash at the bank, which is why it imperative to intensify our debt collection.

3.7.7 INDIGENT SUPPORT AS OF 31 AUGUST 2013

In terms of the Credit Control, Debt Collection and Customer Care Policy, the monthly household earnings of an indigent application is capped at R1,500 but be limited to R3,000 strickly for old aged pensioners households. The onus lies with the applicant to come forward and register for indigent support in line with the Council approved indigent policy.

At 30 June 2013 there were 1039 indigents registered for indigent support and 345 for electriTown, which is an on-going process. The Free Basic Services is funded through the equitable share which is received from National Government. These FBS figures are alarming and it is becoming scary and a concern for the municipality to attend to skills development programs in order to curb low income per household. However, all account holders who qualify for indigent support are encouraged to register accordingly.

3.8 KEY DEVELOPMENT CHALLENGES

3.8.1 REGIONAL ROLE AND SIGNIFICANCE OF DIPALESENG

The identification of Dipaleseng as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Dipaleseng is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and road infrastructure. The N3, R23, R51 and the R546 are some of the roads running through the DLM serving a National, Provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of Mpumalanga. This includes the whole of Gert Sibande District and some of the surrounding areas in Mpumalanga Province and Gert Sibande District. This raises a key question whether the town is developed with sufficient infrastructure and has enough Capacity to play its role as a sub-regional economic hub.

Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the DLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

3.8.2 URBANISATION – SUSTAINABLE HUMAN SETTLEMENTS

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Dipaleseng has been very rapid, resulting in the development of settlements along R23 in particular as linear settlements from Siyathemba through Joe Slovo to Zenzele in the north.

Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Dipaleseng like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black people was made difficult by forcing them to live in areas far from the town.

With the lifting of racial restrictions on where people may live and work, many unemployed people have migrated to urban centres such as Dipaleseng in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area

with huge concentrations in the eastern areas. Land under the control of Sizanani Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context.

This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

3.8.3 INEFFICIENT SPATIAL STRUCTUTURE

While the regional economic development forces remain one of the main structuring elements within the DLM, the past apartheid policies have had a profound impact on the structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The DLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- **Low density sprawl which is fuelled in the Balfour north by anti-Town values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden Town concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.**
- **Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden Town concept). As such there is a high impact on available land in relation to population size, and travel within the Town is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.**
- **Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A**

large number of the poor are living on the urban periphery further away from the opportunities.

- **Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.**
- **The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.**

3.8.4 ECONOMIC STAGNATION

Over the last few decades, the economy of the Dipaleseng Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Dipaleseng as a coal mining town.

The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Trade remains the main economic activity in the DLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment.

In the light of this, there is an urgent need to redefine the role of Dipaleseng in the Provincial and National economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Dipaleseng Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

3.8.5 POOR ACCESS TO SOCIAL FACILITIES

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Dipaleseng Municipality. It manifests itself in the following forms:

- **Poor condition of schools, which does not contribute to building a culture of learning and teaching.**
- **Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.**
- **Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.**
- **Poor access to library services which also affects the development of a culture of learning and teaching.**
- **Poor access to welfare services including pension pay points, magistrate services, etc.**
- **Poor access to cemeteries.**

Attention should be given to lack of sportfields, parks and swimming pools in the urban area in order to revive the sport in Dipaleseng considering that the municipality has a history of producing world stars on soccer.

3.8.6 INFRASTRUCTURE BACKLOG

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Dipaleseng is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electriTown, water and sanitation.

These are found to be a huge challenge for Dipaleseng Municipality whereas the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Dipaleseng Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Balfour.

This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Dipaleseng and deserves some attention in the planning efforts of the municipality.

3.8.7 POOR QUALITY OF THE ENVIRONMENT

The quality of the environment within the DLM requires an urgent attention. This is symbolized mainly by the following:

- **Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.**
- **Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.**
- **Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include flood lines, wetlands, etc.**
- **Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programmes for keeping the area clean.**
- **General lack of active open space in the DLM, particularly the township areas.**
- **Dirt roads which also contribute to a sterile environment.**

3.8.8 FINANCIAL MANAGEMENT AND ACCOUNTING

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:

- **An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;**
- **Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;**
- **Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and**
- **Financial systems not geared towards GRAP/GAMAP requirements.**

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- **Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made.**

Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

- **Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.**
- **Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;**
- **Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;**
- **Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;**
- **Issues raised by the Office of the Auditor General not followed up and cleared on time.**

3.8.9 HIGH RATE OF POVERTY

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

3.8.10 IMPACT OF HIV AND AIDS

Accurate statistical information about the prevalence of HIV and AIDS in the DLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- **Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.**
- **Increase in the number of orphans, which in turn may put strain on the limited welfare budget.**
- **Decline of population with 20 and below years of age.**
- **Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the seek in addition to their daily activities**
- **Slowing of population growth.**
- **Lack of income in cases where breadwinners die of AIDS.**
- **Low productivity rate.**

3.8.11 DEBT MANAGEMENT

Dipaleseng Municipality has a total debt roll amounting to R 48 934 335. The majority of this is more than 180 days old. Individual households account for R 47 851 436 of this amount while government departments owe about R 23 174 411. This situation arises from a number of factors including the following:

- **Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.**
- **Indigent using excess water – about 400 indigent accounts have arrears of R 178 million leaving only about 700 accounts having balances of less than R 500.**
- **ElectriTown meter audit not yet finalized – awaiting technical section report**
- **Lack of community and or buy in from communities**
- **No policies regarding water leaks other than that account is to be paid**

- **Need an improved customer care facility, i.e. call centre, with a proper query recording system.**

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

3.8.12 LACK OF FINANCIAL DISCIPLINE

Lack of systems of internal controls to manage assets evidenced by:

- **Asset registers not updated when acquisitions, impairments or disposals are made;**
- **Reconciliations of the asset register to the general ledger not performed;**
- **Regular verifications of assets to ascertain existence and condition not in place.**

A lack of these processes contribute to delays in the submission of financial statements due to difficulties encountered in reconciling general ledger / trial balance to corresponding supporting schedules. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

Inadequate revenue collection systems within municipalities evidenced by:

- **Low recovery of amounts owed for municipal services from consumer debtors;**
- **Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts,**
- **Lack of advice to the council on revenue enhancement mechanisms.**
- **Extraordinarily large provisions for doubtful debts being posted on the Annual Financial Statements.**
- **Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;**
- **Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;**
- **Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;**
- **Issues raised by the Office of the Auditor General not followed up and cleared on time.**

3.8.13 SKILLS

Section 83 of the MFMA prescribes that the accounting officer, senior managers, the Chief Financial Officer and other financial officials of a municipality must meet the prescribed financial management competency levels. The following skills are critical for finance staff:

- **Knowledge of generally recognised accounting practise at transaction level (i.e. inability to account for financial accounts correctly through basic principle of debit and credit),**
- **Understanding of the importance of month end closure,**
- **Understanding of reconciliations and their purpose,**
- **Adequate supervision of staff activities,**
- **Ability to present meaningful monthly management reports and provide sound advice to the council,**
- **Ability to prepare annual financial statements in accordance with applicable generally recognised accounting standards.**

3.9 GENERAL

Due to inadequacy of the current structure there is a high risk of errors and fraud and corruption due to lack of segregation of incompatible duties, particularly in Supply Chain Management. The current structure has compromised financial reporting and provision of statistical information to stakeholders.

An expectation that at the levels in terms of the current structure the finance staff would possess the requisite skills in financial management is potentially a fallacy as there is a country – wide cry for the shortage of such skills. It is probably a foregone conclusion that the attraction of these skills would be in environments most conducive for luxurious lifestyles.

These skills are, as such, attracted to the private sector and to urban environments, thus compromising the public service and, in particular, rural municipalities. Without disrespect, with the current structure it unlikely that the municipality can attract the “cream of the crop”. Unless this fact is accepted as a reality of our public administration, coherent strategies to

effect meaningful administration and, indeed this proposition, will never be accepted and implemented.

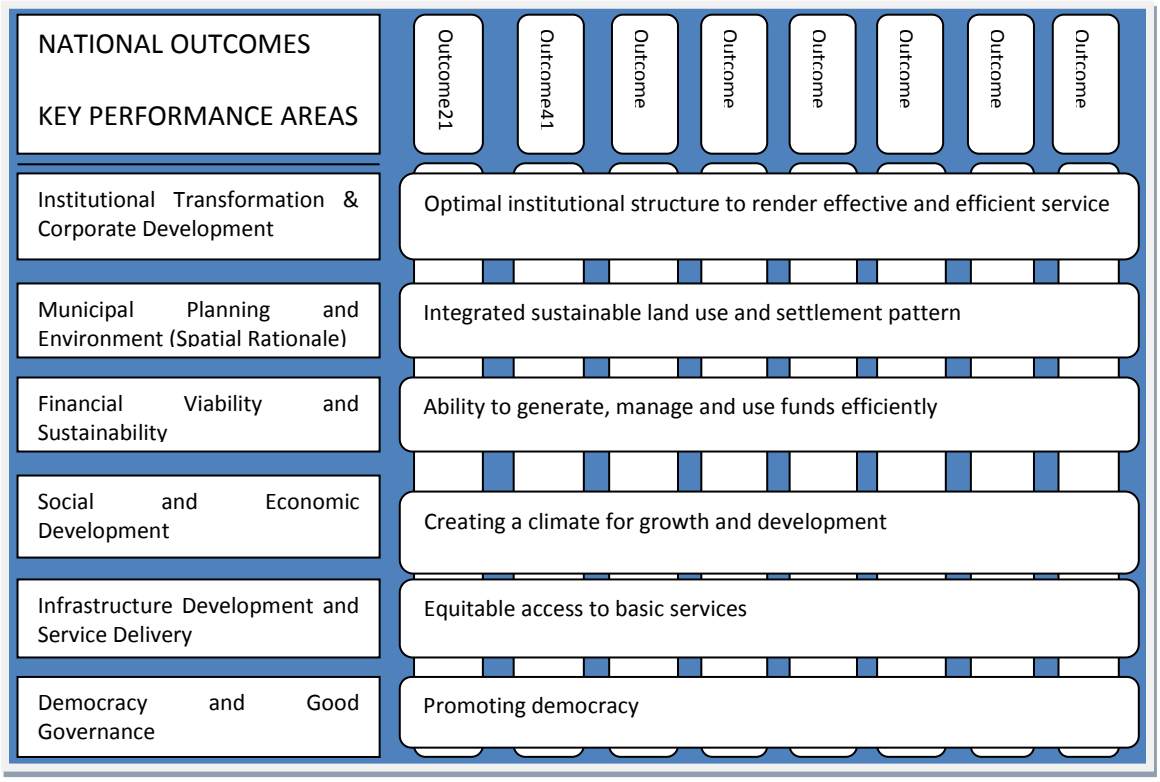
SECTION D:
VISION, GOALS, OBJECTIVES AND STRATEGIES

4 DEVELOPMENT STRATEGY

Development strategy for the DLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes at a National Development Plan (Vision 2030) and various government programs. DLM IDP also fits within the Provincial Development Framework as set out in the PGDS. The DLM strategy covers the following:

- **Strategic fit (alignment with National and Provincial Development Strategies).**
- **DLM long-term strategic direction and organizational culture.**
- **DLM short to medium term strategies and action plans.**
- **In addition, the IDP also considers the emerging National and Provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the GSDM part of Mpumalanga, Dipaleseng Municipality will make a significant contribution towards the implantation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP aligns with these documents once they are completed.**

Figure20: Strategy Map



The strategic approach is meant to highlight the impact that the municipality seek to create in the short to long term period. As indicated on Figure 20 below, in addition to outcome 9, the DLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPA as the strategic areas for intervention. As such, the development strategy for the DLM is designed to address issues that are specific to the DLM while also contributing to the attainment of the national priorities.

4.1 VISION, MISSION AND CORE VALUES

The following Vision and Mission statement for Dipaleseng Municipality were affirmed at a strategic planning session with active participation of both the political and administrative components of the municipality. The vision commits the municipality to sustainable, integrated, equitable and effective development.

4.1.1 DIPALESENG MUNICIPALITY DEVELOPMENT VISION

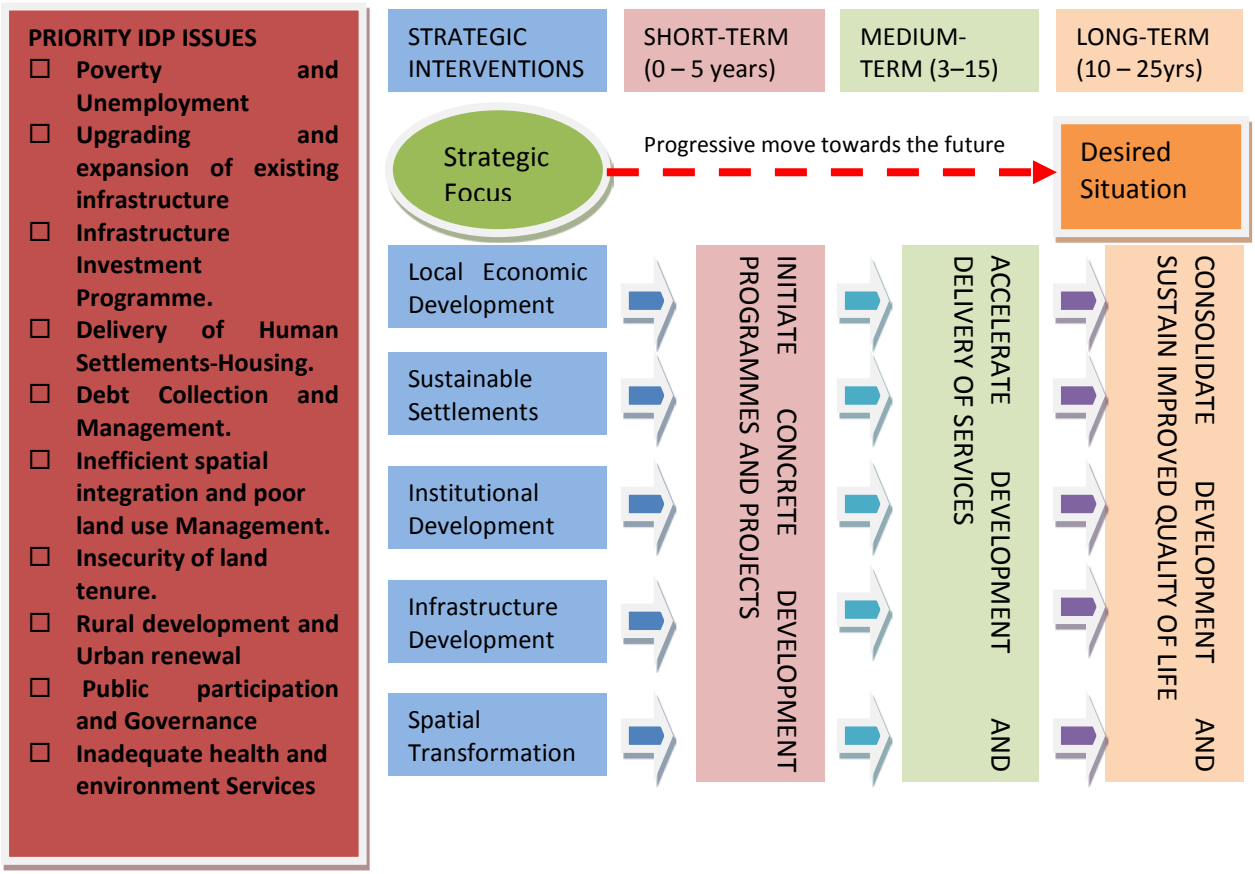


4.1.2 MISSION STATEMENT

Dipaleseng Municipality commits to the following mission Statement:
"To implement programmes and services that help to ensure that its residents are served by accountable and effective local government"

The mission statement acknowledges the objects of local government as outlined in various local government legislation and given effect through the IDP and the associated sector plans. It also seeks to align the municipal strategic activities, structure and resource allocation with the powers and functions as prescribed in the Constitution.

4.1.3 LONG-TERM GOALS



DLM development strategy is based on a long-term vision, but acknowledges the significance of issues that needs to be addressed in the short to medium term. As such, the municipality has formulated development goals that seeks to address the challenges facing the institution currently and reposition the area in a development path as follows:

- **To develop Dipaleseng as a service and industrial hub.**
- **To eradicate all forms of poverty and destitution/indigence.**
- **To be an example of service and governance excellence.**
- **To improve the quality of life.**
- **To achieve environmental sustainability.**
- **To promote gender equality and empowerment.**

➢ 4.1.4 SWOT ANALYSIS

INTERNAL ENVIRONMENT	
STRENGTHS	**WEAKNESSES**
Pragmatic and Informed IDP	Credit control & Debt Collection
Broad Revenue Base	High levels of unemployment and poverty
Stable Governance	Increased levels of crime
Good Infrastructure	Inadequate or lack of relevant skills to tap into economic.
Water Services Authority	Lack of investment opportunities
Availability of raw materials & extensive natural resources	
EXTERNAL ENVIRONMENT	
OPPORTUNITIES	**THREATS**
Competitively Located Geographical ➢ **Close to large Commercial centres & metro municipalities** ➢	Service delivery Protest High unemployment rate youth &women High poverty rate high equalities Uncontrolled influx on land (requiring basic services. Increasing housing backlog Environment hazards & impact • Veld fires • Hazardous material in transit Poor maintenance of roads Provincial &National Lack of land for development Climate change need to move from fossil fuel to other forms of energy High influx of jobs Need to expand of infrastructure
Positive economic growth indicators: Implementation of the property Rates Act. Mining development and implementation of SLP. Job creation and SMME Development. ➢	
Potential to be a well Tourist destination	Diseases & environ problems posed by water & sanitation backlogs

Economic/ Industrial Location	Competitive Edge Invasion of land Negative publicity[beautification
Potential to be incorporated in Gauteng	Lack of sport & recreational facilities in rural and the Urban areas
Organised Agricultural and Business	
Good working relationship with Communities	
Large pool of undeveloped potential workforce	

4.2 IDP STRATEGIC OBJECTIVES

4.2.1 INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVES	ACTION PLANS	OUTPUT/ OUTCOME BASE	RESPONSIBLE DEPARTMENT
Administration and skills development	To ensure the optimal institutional structure to render effective and efficient service aligned to the IDP.	▪ To provide efficient and effective general administrative support services ▪ Implementation and review of the organogram with adequate Capacity. ▪ To develop plan and participate in knowledge sharing with other municipalities	▪ Staff and Union consultation about the organogram ▪ To encourage team spirit and organizational strategy focus ▪ To finalize job descriptions and job evaluation processes ▪ To ensure critical positions are filled within the Municipality. ▪ To develop and implement strategy to address scarce skills shortages in the Municipality. ▪ Promote gender equity in the workplace.	▪ Succession Planning ▪ Conducive Working environment ▪ Staff retention Strategy ▪ Less staff turnover ▪ Capacity to perform duties and functions. ▪ Efficiency ▪ High level of certainty from employees ▪ Gender free environment ▪ To ensure the review and implementation of Employment Equity Plan.	▪ Administration ▪ Human Resource ▪ Corporate Services ▪ Office of the Municipal Manager (Manager Legal & Administration)

	To ensure productive and competent human capital.	▪ To facilitate human resource development ▪	To conduct skills audits, To provide training and skills development To review and implement employee assistance programme and policies	▪ Productive and competent staff ▪ Approved employee assistance programme and policies	▪ Corporate Services (Human Resource Section)
Information communication & Technology	To ensure effective and efficient administrative support services.	To provide efficient and effective IT support services and systems ▪	▪ To investigate and implement an integrated IT solution ▪ To review and implement IT policies and strategies. ▪ To provide continuous IT solutions and support services	▪ Technologically advanced institution & human development ▪ Reviewed and approved IT policies and strategies.	▪ Human Resource ▪ Sub-Directorates Corporate Services Municipal Manager's Officer

4.2.2 GOVERNANCE AND PUBLIC PARTICIPATION

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	ACTION PLANS	OUTPUT/ OUTCOME BASE	RESPONSIBLE DEPARTMENT
Good Governance	1. To ensure good governance through openness, transparency and accountability in the organization.	▪ To strengthen executive support to services. ▪	▪ Strengthening of portfolio committees. ▪ Review of council operational systems and procedures. ▪ Development and implementation of systems and procedures. ▪ Strengthening of management and decision making committees. ▪ Approve delegations system.	▪ Improved governance. ▪ High level of client satisfaction. ▪ Batho Pele principles driven institution ▪ Efficient executive support service	▪ Office of the Municipal Manager ▪ Department of Corporate Services
Public Participation and Communication	To keep the communities and stakeholders informed and involved in the affairs of the municipality.	▪ To improve both internal and external communication ▪ To develop the communication policy	▪ Development of the Public Participation Policy and a communication strategy. ▪ Capacitating of ward committees through training. ▪ Conduct Mayoral IDP/Budget roadshows ▪ Conduct IDP Forum	▪ Deepened democracy. ▪ Public participation in municipal affairs. ▪ Customer satisfaction statistics & complains ▪ Accessible of municipal facilities	▪ Office of the MM ▪ All Directorates

			meetings. ▪ Undertake IDP and budget road shows. ▪ Publication of a quarterly newsletter and Annual report ▪ Develop and adopt a customer care help desk		
Performance Management System	To ensure good governance through openness, transparency and accountability in the organization.	▪ To develop and implement an effective Performance Management System.	▪ Development and implementation of PMS. ▪ Co-ordination of SDBIPs ▪ Performance monitoring and evaluation	▪ Approved PMS policy ▪ Approved SDBIPs ▪ SDBIPs reports	▪ Office of the Municipal Manager
Risk Management System	To ensure good governance through openness, transparency and accountability in the organization.	▪ To maintain and implement effective risk management system.	▪ To review and implement risk management policy. ▪ To develop and implement annual risk management plan. ▪ To review and implement Anti-Fraud and Corruption policy. ▪ To review and implement anti-corruption strategy and fraud prevention plan. ▪ To conduct annual and on-going risk assessments.	▪ Reviewed risk management policy. ▪ Reviewed risk management strategy. ▪ Approved risk management plan. ▪ Reviewed Anti-Fraud and corruption policy. ▪ Reviewed Anti-corruption strategy and fraud prevention plan. ▪ Fraud risk register ▪ Strategic and operational risks	▪ Office of the Municipal)

			▪ To facilitate functioning of Risk Committee	register. ▪ Functional Risk Committee ▪ Established Anti-Corruption Committee	
Internal Audit	To ensure an effective internal audit function	▪ To provide an independent objective assurance and consulting services that add value and improve operations of the municipality.	▪ To review and update internal audit and audit committees charters annually. ▪ To develop and implement risk-based internal audit plans in compliance with IIA standards and other applicable prescripts ▪ To ensure full implementation of internal audit annual plan. ▪ To provide advisory services to management to improve the effectiveness of risk management, governance, and control processes.	▪ Updated and approved internal audit and audit committee charters ▪ Approved internal audit plans ▪ Approved internal audit plans. ▪ Fully implemented internal audit annual plan. ▪ Final internal audit reports issued to management ▪ Advisory reports/memos/letters issued to management	▪ Office of the Municipal Manager (Internal Audit)
Legal Services	To ensure good governance through openness, transparency and accountability in the organization.	▪ To provide an effective and efficient legal support service	▪ To render legal support services ▪ To provide legal advice to Council, Mayor and MM ▪ To provide legal	▪ Mitigated Legal cases ▪ Sound Legal opinions	▪ Manager (Legal & Administration

			opinion as and when requested ▪ Serve legal summons to clients and customers ▪ Render legal services on policies, contract management, bylaws and union (disputes matters)		

4.2.3 FINANCIAL VIABILITY AND SUSTAINABILITY

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGY	ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
Financial Management	To ensure sound financial and fiscal management and good governance.	▪ To ensure compliance with financial reporting in terms of relevant legislative requirements. ▪ To ensure an effective and efficient SCM system. ▪ To ensure sound asset management system. ▪ To ensure compliance with budget planning and implementation.	To develop and maintain systems and procedures for effective and sound management of municipal finances. ▪ To establish efficient treasury department ▪ Budget preparation and implementation Plan. ▪ Development and maintenance of Financial control systems and procedures. ▪ To deliver services strictly in line with budget provisions and authorized functions ▪ Adopt appropriate financial policies including credit control measures, expenditure control, and improved asset management. ▪ To ensure that the IDP and Budget are integrated and	▪ Efficiency in the management of municipal finances. ▪ Financial sustainable organization ▪ Preserved institutional reserves ▪ Sound financial management systems and legislative compliance	▪ BTO Department ▪ IDP

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGY	ACTION PLANS	OUTPUT/ OUTCOME	RESPONSIBLE DEPARTMENT
			available funds are allocated in line with IDP Priorities ▪ To develop and implement an anti-corruption strategy		
Financial Viability	To ensure a financially viable municipality.	▪ To improve the payment factor by 5% basis points by 30 June 2015. ▪ To facilitate processes to enhance revenue. ▪ To implement sound cash management practices.	▪ Develop and implement debt collection process plan. ▪ Undertaking a land audit. ▪ Formulation of a new valuation policy. ▪ Development of a valuation roll. ▪ Improvement of a debt collection system ▪ To improve billing and revenue collection ▪ To develop and implement Revenue raising strategies ▪ To implement Free Basic Services to Registered Indigent households. ▪	▪ % increase in own revenue collection. ▪ Accountability ▪ Financial stable organization	▪ Finance Department ▪ Planning & Development

4.2.4 MUNICIPAL PLANNINGAND ENVIRONMENT

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGIES	ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
Integrated Development Planning	To ensure the development and maintenance of a credible IDP.	▪ To develop the IDP Process Plan in line with legislation ▪ To develop the IDP in line with 3rd Generation IDP guidelines	▪ Preparation and review of the IDP document. ▪ Preparation of sector plans. ▪ Public participation in respect of the IDP. ▪ Compliance with the IDP legal requirements.	Effective service delivery and governance. Credible IDP	▪ MM. ▪ Manager IDP ▪ All Directors, and Public Participation
Land Use Management	Develop an efficient and effective a land use management system so as to promote a rational and harmonious land use activity system	▪ To undertake efficient and effective Planning Enforcement. ▪ Preparation of Town Planning Scheme covering the entire Municipal Area (wall to wall). ▪ Administration of the Town Planning Scheme ▪ Develop policies and bylaws for planning enforcement ▪ To undertake efficient and effective Building	▪ Administration of land development applications. ▪ Facilitation and Control of outdoor advertising ▪ Implement policies and bylaws for planning enforcement ▪ To promote awareness on Land Use Management function ▪	▪ Approved Land Use Management System. ▪ Integrated and harmonious development. ▪ Maintenance of good Amenities. ▪ Orderly and rational development Approved policies and bylaws	▪ Sub-Directorate Town Planning ▪ Corporate Services

		Control.			
Geographic Information System	To ensure an effective, efficient and integrated Information Management System	▪ Upgrading of GIS system ▪ GIS Data Management ▪ GIS integration with other Municipal systems ▪ Maintaining the current GIS information ▪	▪ Acquisition of additional equipment. ▪ Staff training. ▪ Collection of information and development of database. ▪ Conduct Arial photographs ▪ Mapping of infrastructure projects on the GIS	▪ Operational GIS decision Support system (including support for project planning, infrastructure planning and project planning, IDP, SDF) ▪ GIS maps including SDF maps (e.g. SDF) ▪ GIS internet information Access.	▪ Sub-Directorate Town Planning. ▪ Infrastructure Services ▪ Sub-Directorate IDP
Urban Renewal	To create human settlements that are economically viable, aesthetically pleasant, habitable and vibrant	▪ Upliftment of communities, socially, economically, environmentally including infrastructure development ▪ To promote Urban Renewal in the Balfour/Siyathemba, Greylingstad/Nthorwane, Grootvlei) and Val areas. ▪ Provide enablers for local communities towards improved quality of lives.	▪ To Review Township Regeneration Strategy. ▪ To create the necessary preconditions in MBO CBD's for mobilising public and private investment. ▪ Implementation of projects and initiatives to improve neighborhoods and promote localized economic growth and spatial restructuring	▪ Approved Township Regeneration Strategy. ▪ Precinct plans and detailed designs ▪ Socio-economic development projects and programmes ▪ Improved and functional CBD environments ▪ Increased public and private sector investments in townships ▪ Retention of buying power in localities ▪ Competitive and	▪ Sub-Directorate Town Planning

				stronger nodal structure due to improved linkages ▪ Improved safety and security in neighbourhoods	
Spatial Planning	To promote Spatial restructuring and integration	▪ To produce plans policies, strategies to guide and manage development	▪ Review and implementation of a Spatial Development Framework. ▪ Evaluate Development applications ▪ Establish hierarchy of nodes ▪ Formulation of Local Area Development Plans ▪ Design of detailed layout plan ▪ Development of precinct plans ▪	• Approved SDF as a basis for an effective, efficient and integrated spatial structure • Rational and sustainable development • Framework for the direction of development growth in local areas • Detailed layout and precinct plans	▪ Sub-Directorate Town Planning
Environmental Planning and Management	To promote sustainable development and environmental awareness	▪ Provide a framework for Environmental Management ▪ Ensure compliance with environmental legislation and	▪ Creation of an Environmental Planning Unit ▪ Obtain environmental authorizations for development projects ▪ Liaison with the	Approved EMF Sustainable development Environmental quality as per legislation Preservation of environmental sensitive	▪ Planning and Development. ▪ Community Services Department ▪

		regulations ▪ Improve environmental awareness	DAEA ▪ To promote awareness through education programmes/ campaigns with the sector departments	areas	
Housing and Land delivery	To facilitate the provision housing in line with the National and Provincial norms and standards. To promote sustainable human settlements in rural areas (land reform areas areas)	▪ To reduce housing back-logs to meet the Provincial and National targets ▪ Development and implementation of a Housing Sector Plan. ▪ Promote a variety of housing typologies and densities in and around nodal points ▪ Liaison with the Department of Human Settlement and rural development department. ▪ To develop and maintain a reliable Housing Waiting List	▪ Development and make available new residential stands ▪ Housing transfer through Enhanced Extended Discount Benefit Scheme (EEDBS) ▪ Management of housing projects. ▪ Slums clearance/ eradication of informal settlements ▪ Facilitate prompt registration and delivery of title deeds.	Reduced level of housing backlogs. Adequate housing Updated and credible waiting list Increased rate base of the municipality Security of tenure	▪ Sub-Directorate Human Settlement

		database ▪ To promote security of tenure			
Disposal and Acquisition of Land	Efficient management of the municipal real estate	▪ To create a municipal land bank ▪ To review the municipal land disposal policy ▪ Conduct a municipal land audit	▪ To acquire adequate land for development projects ▪ To address land disposal processes ▪ To address land ownership in the municipal area	▪ Municipal land bank ▪ Register of all municipal land ▪ Efficient disposal of land ▪ Secure tenure	▪ Sub-Directorate Human Settlement
Housing Administration and Customer Care	Management of municipal housing	▪ To keep municipal housing stock in good condition	▪ To maintain and refurbish municipal houses	• Appreciating house values • Customer satisfaction	• Sub-Directorate Human Settlement.
Rural development	Promotion of Integrated Human Settlement Development	▪ Prepare Rural development strategy	Implementation of rural development projects	Sustainable human settlement	• Sub-Directorate Human Settlement.
Cemetery Services	Provision of cemetery services in accordance with legislation	▪ Manage maintenance and operations of cemeteries	▪ To develop and implement cemetery management plan ▪ To Identify new	Cemetery plan Ensure of ground water quality Perform cultural rituals	▪ Community Services ▪ Development

			suitable sites for cemeteries ▪ To provide sufficient equipments and machinery for cemeteries ▪ Provide fencing for cemeteries ▪ Registering of the cemeteries ▪ Create data base for the deceased		Planning &Human Settlement (Town Planning)

4.2.5 INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVES	ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
Water and sanitation	To ensure the provision of appropriate sanitation and potable water to all households in Dipaleseng Municipality.	To ensure that Water and Sanitation Service is rendered in an efficient and affordable manner To promote water conservation and environmental awareness. ▪ To develop the Capital Investment Programme	▪ Coordination with GSDM Water on the WSDP. ▪ Management of reticulation projects in urban centres. ▪ Update of water and sanitation backlog information (review of the WSDP). ▪ To develop and run a programme and educational campaign about water quality, water conservation ▪ Increase the Capacity of water reservoirs ▪ To upgrade / rehabilitate existing infrastructure to address water leakages/ losses (▪ To develop and implement a	Access to water and sanitation to RDP standards. Reduced water and sanitation backlog Water quality for clients Customer satisfaction Reduced water losses High water conservation To prevent the pollution of underground water sources	▪ Infrastructure Services ▪ Infrastructure Services ▪ Infrastructure l Services ▪ Infrastructure Services

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVES	ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
			Maintenance Plan ▪ To implement water conservation management program ▪ Source funding from various sector departments		
Roads and storm water	2. To ensure the provision and maintenance of safe roads and effective storm water infrastructure.	• To keep the municipal roads and storm water drainage in an acceptable condition. ▪ To develop streets beautification and streets pavements ▪ To develop and implement roads and storm water infrastructure plan.	▪ To facilitate IGR engagement (Participation in the Rural Road Transportation Forum). ▪ Maintenance of municipal roads. ▪ Maintenance of storm-water drainage on municipal roads. ▪ Paving of streets ▪ Develop street precinct plans ▪	Client satisfaction. Safety road standard Safety driving Safety driving Investment attraction	Infrastructure Services (Roads and Storm water)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVES	ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
ElectriTown and other forms of energy.	To ensure access to electriTown and other forms of energy where applicable	▪ To Provide electriTown within the Dipaleseng License Areas ▪ To facilitate supply of electriTown outside the licensed Areas with Eskom ▪ To improve the electriTown network in the license Area ▪ To engage Eskom regarding the transfer of license in Eskom license areas.	▪ Support ESKOM electrification program. ▪ Alternative energy supply program. ▪ To develop and implement a ESDP ▪ To consult with and inform ESDP of ESKOM priorities ▪ To promote efficient use of electriTown through educational programs ▪ Join hands with ESKOM to promote awareness	Improved access to grid energy. Customer satisfaction Efficient use of electriTown	Infrastructure / ElectriTown Section Infrastructure / ElectriTown Section
Refuse removal and Waste Management	To provide and ensure a safe and healthy environment	To keep Dipaleseng municipal Area clean. Implementation of Waste management strategy in line with the relevant legislation	▪ Refuse removal program in urban centres. ▪ To develop and review a Waste management Plan in line with the relevant legislation ▪ To develop and maintain a licensed landfill sites	Client satisfaction. Improved quality of the environment. Litter free town Awards for being the cleanest town in the Province	• Department of Community Services • Infrastructure Services. • Town Planning

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVES	ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
			▪ To ensure a litter free town ▪ Develop solid waste by-laws ▪ Community awareness program. ▪ Liaison with the District on Disaster Management. ▪ Implement waste management strategy. ▪ Identification and development of waste disposal sites		

4.2.6 SOCIAL DEVELOPMENT

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL STRATEGY/ ACTION PLANS	OUTPUT	RESPONSIBLE DEPARTMENT
Vulnerable groups	To respond to the needs of the vulnerable groups. Youth and women empowerment	▪ Develop Youth programs ▪ Participate on District games ▪ Gender programs ▪ Aged and the disabled programs. ▪ Participate in the Provincial initiatives and programs	Client satisfaction. Community empowerment Sport Council Developed community structures e.g. Men's Forum	▪ Community Services ▪ MM/ Special Programs
HIV and AIDS	To manage the effect of HIV and AIDS within Dipaleseng area of jurisdiction.	▪ Development and implementation of a workplace HIV and AIDS management programme. ▪ HIV and AIDS awareness campaigns.	Positive living. Acceptance of the status. Affected and infected numbers reduced	▪ Human Resources ▪ MM/Special Programs
Indigent Support Systems	To improve access to basic services.	▪ Free basic services. ▪ Rates rebates and brakes. ▪ Social security grants.	Poverty alleviation. Community empowerment Meet Service Delivery targets	• Finance Department
Traffic and road safety	To improve safety and security.	▪ Licensing ▪ Traffic management. ▪ Participate on road safety awareness campaign. ▪ Establish the Disaster Management Forum ▪ To improve Fire Fighting services	Public safety Public confidence Reduce accidents and road hazards	• Protection Services/ Community Services • Protection Services/ Community Services
Sports and Recreation	To ensure efficient use and management of community facilities.	▪ Environmental Health Services ▪ Sports, Parks and Recreation ▪ Improve Community access to Facilities (Halls, pools, libraries and amenities.	Improved access to public services.	• Community Services

4.2.7 LOCAL ECONOMIC DEVELOPMENT

PROGRAM	STRATEGIC OBJECTIVES	OPERATIONAL STRATEGY	ACTION PLANS	OUTPUT/OUTCOME BASE	RESPONSIBLE DEPARTMENT
Investment Promotion	To facilitate economic development that will result in sustainable job creation	To facilitate investment Promotion (by foreign & local business) Business retention and expansion (BNR)	▪ To develop Investment Promotion Strategy and Investment promotion plan, ▪ Review of investment incentive scheme policy, ▪ Revitalize relationship with sister cities, ▪ Plan strategic visit to foreign investors ▪ Business Retention Strategy, ▪ Improve relations with businesses ▪ Assist business to expand	▪ New investments. ▪ Business expansion opportunities. ▪ Increase rate base ▪ Little marginalized economy ▪ Diversified economy ▪ Private Public Partnerships ▪ Strengthened regional economy ▪ Private investor confidence	▪ Economic Development ▪ Economic Development ▪ Economic Development / Tourism Section ▪ Community Services
Economic Governance **Infrastructure Development**	To facilitate economic development that will result in sustainable job creation To facilitate economic development that will result in sustainable job creation	Provision of internal guidance for investment & infrastructure expenditure Facilitate the development of key infrastructure to	Inter Department coordinating structure ICC being established, Provide relevant studies Build relationships with government agencies, e.g Seda, DTI and other	Developed Service Level Agreements/ Memoranda of Understanding with various economic bodies.	▪ Economic Development Directorate

		grow the economy.	municipalities Facilitate the infrastructure upgrade of the airport and the review of tariff	Approved feasibility study and business case for the airport	Economic Development Sub-Directorate
Informal Economy		To regulate the informal economy	Review informal trade by-laws, Promote informal trade in certain nodes, To provide stands/ hawker shelters, Establishment of internal committee (Town planning, community service & LED) to oversee and regulate informal trade, Develop informal trade policy, Ensure enforcement of by-laws, Encourage informal Trade to progress to SMME's – Co-ops	By-laws approved & gazetted Increase in the number of leases in those nodes. No. of stands approved. Committee established. Decrease in the number of complaints. No of informal traders to SMME.	▪

SMME Development	To facilitate economic development that will result in sustainable job creation	Promotion of SMME & entrepreneurial development. Key sector development	Organise business week, Develop SMME development strategy Promote SMME development through incubators Promote value-chain opportunities in manufacturing, agriculture and tourism, Promote & facilitate cluster formation, Explore ways to revive the textile industry	Annual hosting of Business Week Number of SMME developed Number of opportunities explored, Number of cluster formed/ promoted, Completed manufacturing sector research study	▪ Economic Development Directorate
Tourism Development	To facilitate economic development that will result in sustainable job creation	To facilitate conducive environment for tourism for tourism business to grow Marketing & branding of Dipaleseng	Develop a tourism strategy Establish legislated tourism coordinating structures e.g. CTO, Monitoring & regulation of the tourism industry Develop a marketing policy for the municipality,	Approved tourism strategy, Established a functional structures that are registered with province (DEDT), Developed tourism destination centers	▪ Economic Development Sub-Directorate

			Develop the Dipaleseng brand, Provide branding and promotional material for municipal departments		
Market Research	To facilitate economic development that will result in sustainable job creation	Provide economic data	Business directory Provide economic and statistical studies	Completed business directory, Number of studies completed	▪ Economic Development Sub - Directorate

SECTION E: IMPLEMENTATION PLAN

5 IMPLEMENTATION PLAN

5.1 SPATIAL DEVELOPMENT ISSUES AND OBJECTIVES

As indicated before, the core spatial challenges of the Spatial Development Framework would be to ensure spatial equity, efficiency and sustainability. However, current practices do not always promote these concepts and it is therefore vital to identify in which manner current trends does not impact on the achievement of these responsibilities and the eventual realization of the Vision.

The key spatial issues to be addressed can be summarized as follow:

EQUITY	EFFECIENCY	SUSTAINABILITY
1. Provision, upgrading and maintenance of **key distribution routes**. 2. Promotion of economic activities in **closer proximity to the unemployed**. 3. **Clustering of social and community facilities** at more accessible points. 4. Promotion of private sector **investment in disadvantaged areas**. 5. **Spatial focus of resources** to redress inequalities in services standards and quality of life.	1. Provision, upgrading and maintenance of **key distribution routes**. 2. **Infill planning** is required to make the delivery of services more cost effective. 3. **Stimulation of economic districts and nodes** to promote sufficient market thresholds. 4. **Planning around bulk capacities** to ensure more cost effective developments. 5. Promotion of **economic opportunities in close proximity to residential functions** (where sustainable).	1. Plan service standards in line with **economic and environmental affordability**. 2. **Conservation and maintenance** of infrastructure and resources are better than replacement. 3. **Fragmented spatial structure causes sprawl** and should be countered. 4. Planning should promote the **sustainable use of resources**, rather that exclusion of use. 5. Improved **land management measures** to control potential conflicts are required.

In order to address the above issue, a set of objectives have been formulated, based on a review of the objectives and strategies contained in the approved Dipaleseng Integrated Development Plan and represent a spatial refinement thereof as follow:

Development Sector	Objectives
SPATIAL DEVELOPMENT	• Promote a compact urban structure through urban infill and densification • Create a logical hierarchy of settlements to support effective service delivery • Create an urban edge to contain urban sprawl
HOUSING	• Identify sufficient land for future housing development • Quantify housing backlogs and future needs • Locate new housing development within a rational urban structure and urban development boundary to ensure sustainable development
ENVIRONMENT	• Protect ecologically sensitive natural areas • Create a municipal open space system, comprising ridges, mountains, rivers and dams • Respect the flood lines of the major rivers and dams • Respect the conservation guidelines for Nature Reserves
TRANSPORT	• Focus urban development along major public transportation routes to establish transport corridors • Public transport access points (drop-off/ collection points) should be located at service delivery centres
SERVICE INFRASTRUCTURE	• Locate urban development, specifically housing development, within reach of bulk municipal services • Inform the future planning and delivery of bulk municipal services
COMMUNITY FACILITIES	• Settlement development must include the full range of community facilities to ensure viable and sustainable living environments • Community facilities must be clustered with business facilities in service delivery centres • Service delivery centres should be located in such a way that ensures equitable access for all communities • Community facilities must be provided according to accepted planning and development standards and guidelines

5.2 DEVELOPMENT STRATEGIES

The SDF proposes four key development strategies to help Dipaleseng achieve its vision of providing quality affordable services and good governance and realize the spatial goals associated with this vision. These key development strategies are as follows:

- **Promote urban, land use and transportation integration;**
- **Providing bulk infrastructure development;**
- **Establish equitable access to social services;**
- **Emphasize protection of agriculture and open spaces.**

Although the current spatial pattern is inefficient and expensive, one has to admit that it is a fixed spatial pattern. Therefore, the aim should not be to alter the existing spatial structure, but one should rather guide its future development towards a better, more efficient and more cost-effective urban structure. In short, one should start addressing the weaknesses of the spatial structure through the planning and development of its future growth. Five strategies can by adopted to achieve this:

5.2.1 STRATEGY 1: LAND USE AND TRANSPORTATION INTEGRATION

A more compact town will improve Dipaleseng's efficiency and sustainability by:

- **helping to protect the environmentally sensitive land by reducing demand for this land;**
- **making better use of the Town's limited resources for infrastructure investments and maintenance;**
- **supporting more transport options, as higher densities will provide enough people to make public transport viable; and**
- **Offering a better, more convenient lifestyle for people who cannot drive, such as elderly, very young and disabled people, as a greater number of facilities and opportunities will be accessible by foot, bicycle or public transport.**

A compact Town will be achieved through introducing planning tools that contain the Town's footprint and encourage responsible densification (through strategic infilling, and the intensification of land uses within the existing urban footprint, aligned with concentrations of economic activity, public transport, infrastructure and amenities). New urban development will be directed towards locations where its impact on the Town's natural and built heritage will be least felt, or can be best managed, and where it is possible

for sustainable human settlement to be served by the full range of urban opportunities and services. Similarly, new urban development will be expected to achieve a compact form, with appropriate planning for density, and a greater mix and intensity of land use.

In South Africa, public transportation costs make up a large proportion of household incomes, a cost that is augmented by the sprawling nature of our cities. Land use development and public transportation are therefore interlinked and affect each other greatly. Urban corridors create the optimal land use structure for the cost-effective operation of public transport systems.

Public transportation works most effectively in a linear pattern, as opposed to winding its way through a widespread urban area. Such a linear land use pattern also benefits commuters, because it implies that residential settlements hug the corridor road or railway line, placing commuters within short walking distances of such public transportation termini.

One should move away from the fragmented and sprawling urban structure existing within the areas of Nthorwane and Grootvlei. Consolidating all the existing outlying settlements with each other and the business core area should achieve this. This can be done by filling in the unpopulated areas between these settlements with the future growth of these settlements. By doing this, the settlements will join together and towards the business core area, forming consolidated urban areas.

Such an integrated urban structure will form the bases for providing cost-effective municipal services and public transportation infrastructure. It should however be noted that the position of the relatively large industrial area of Dipaleseng, this integration path will need to stretch fairly wide towards Balfour or join up at Kara Beef.

5.2.2 STRATEGY 2: BULK INFRASTRUCTURE DEVELOPMENT

Providing bulk infrastructure can be an important tool to achieve the above-mentioned spatial pattern and will, in turn, result in cost savings when developing the bulk infrastructure. All future bulk infrastructures should be developed within the urban areas described above; because where bulk infrastructure is developed, urban development will follow. In this manner, bulk services will force future urban development into a more rational and desirable urban pattern. At the same time, the location, implementation and functioning on the bulk services network will be rationalised.

5.2.3 STRATEGY 3: EQUITABLE ACCESS TO SOCIAL SERVICES

As was mentioned, the settlements located on the outskirts of the Municipal Area are located far from the social services provided in the Dipaleseng core area. This result is high public transportation cost for the poor living in these areas to access these services. It is imperative that a number of these social services be provided in these outlying settlements through the development of Service Delivery Centres. A hierarchy of such SDCs, containing facilities such as clinics and community centres, will place these facilities closer to these settlements, thus making them more accessible and achieving greater urban integration.

5.2.4 STRATEGY 4: PROTECTION OF AGRICULTURE AND OPEN SPACE

A way to integrate urban areas is to deliberately protect high-potential agricultural areas and ecologically sensitive natural open spaces. By rigorously protecting such areas, urban areas are prohibited to sprawl freely and are therefore forced into denser urban agglomerations. Therefore, such an approach not only protects agriculture and the environment, but also helps create a more rational, cost-effective and manageable urban structure.

5.3 DEVELOPMENT CONCEPT & FRAMEWORK

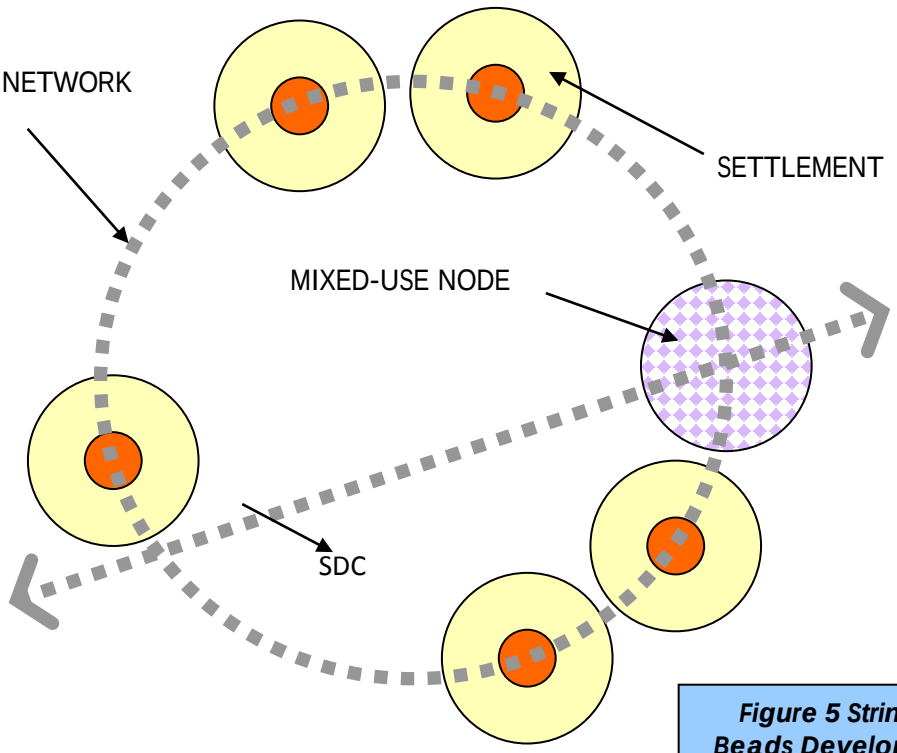


Figure 5 String of Beads Development

The aim of the Development Concept was to formulate the desired spatial structure for Dipaleseng. Consequently, it is important that the Development Concept adheres to the principles of land use and transportation planning. It does this for two reasons. Firstly, it proposes urban corridors aligned along public transportation routes, thus promoting higher densities along these transportation routes. Secondly, it proposes a hierarchy of Service Delivery Centres (or SDCs) along these corridors, thus creating opportunities for mixed land use around transportation bus stops and taxi ranks.

The spatial outcome of the Development Concept will be development corridors shapes like a string-of-beads, which concentrates development at intersections or transit stops along public transport routes. Because this configuration concentrates urban development along the transportation routes, it manages sprawl and therefore exhibits a degree of environmental and agricultural conservation.

5.3.1 SERVICE DEVELOPMENT CENTRES

Four types of SDCs are proposed for Dipaleseng Municipality: 1st, 2nd, 3rd order as well as Rural SDCs.

SDC TYPE	THRESHOLD POPULATION	ACCESS INTERSECTION	SDC AREA
1st order	> 100 000	Class 3	- Dipaleseng CBD. - Proposed JBC CBD
2nd order	< 100 000	Distributor & Collector	-Balfour CBD -Siyathemba CBD
3rd order	< 20 000	Class 3 & Class 4	- G/vlei (Ext 1&2) - Nthorwane -
Rural	< 10 000	Distributor	- Val -Sophie -G/stad - -

Specific preferred land use outcomes at the above localities are outlined in the full SDF. These form part of the Land Use Management Guidelines required in terms of the Municipal Systems Act.

5.3.2 DEVELOPMENT CORRIDORS AND MOBILITY ROUTES

Three development corridors and Mobility Routes were identified in Dipaleseng. These development corridors and mobility routes must become the primary vehicles for the establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- **N3 Primary Mobility Route**
- **R23 Secondary Mobility Route**
- **R51 Mixed-used Activity Corridor**
- **Mixed-used corridor**

5.3.3 NODAL STRUCTURE

In terms of the PSEDS Dipaleseng has been identified as secondary investment node with a number of nodes and potential nodes within. This can be linked to the settlement hierarchy identified in the situational analysis. This nodal structure is as follows:

Type of Node	Area
A) Secondary Investment Node (PSEDS)	
B) Secondary Node (PGDS)	-Dipaleseng
C) Primary CBD Node (Municipal SDF)	-Dipaleseng CBD -Proposed JBC CBD
D) Regional Multi Use Node (Municipal SDF)	-Emerging Southern Business extension (Casino Development Dipaleseng Mall and surroundings)
E) Community Multi Use Node (Municipal SDF)	-Emerging Northern Business extension (Dipaleseng Prescient and surroundings) -Siyathemba CBD -Nthorwane CBD
F) Neighbourhood Multi Use Nodes	-Grootvlei -Greylingstad -Balfour -Grootvlei -Siyathemba Sec D (x2) -Siyathemba Sec F -Siyathemba Sec P -Nthorwane Sec A -Nthorwane Sec B -Nthorwane Sec C
G) Multi Use Node	-Val

Type of Node	Area
H) Industrial Node	-Dipaleseng Industrial Area / Mittal / Siyathemba Industrial
I) Large Scale Mixed Use Nodes	Corridor
J) Rural Nodes (Municipal SDF)	-Val -Grootvlei
K) Smaller nodes of importance: Medical Multi Use Nodes Educational Multi Use Nodes Social Multi Use Nodes	 -Dipaleseng Private & Provincial Hospital Siyathemba Provincial Hospital -Dipaleseng Training Centre, Siyathemba Dipaleseng FET College, , UNISA Centre, -Siyathemba Section 2
L) Greylingstad Mountainous Nodal Policy Development Nodes (District SDF) **(See Annexure 12)**	- Greylingstad Corridor - Balfour Corridor - Grootvlei Corridor

5.3.4 OPEN SPACE SYSTEM

An open space system fulfils a number of functions. These functions include hazard avoidance, resource conservation, ensuring social well-being and educational. These functions of an open space system are listed in more detail in Table 6.

➢

HAZARD AVOIDANCE	RESOURCE CONSERVATION	RECREATIONAL AND PSYCHOLOGICAL	EDUCATIONAL
Open spaces must reserve flood prone areas. Open spaces must reserve steep slopes and geologically unstable ground. Open spaces should protect drinking water sources from being contaminated.	Open spaces must protect water sources. Open spaces must protect linked areas of conservable indigenous vegetation.	Developed and maintained open space must be provided for recreational purposes. Open space must be provided for social interaction and as symbols of community identity. Open spaces must be protected for psychological relief from the stresses of	Open spaces must be protected for environmental education purposes. Well-equipped and designed open spaces must be provided for sport education.

		urban live.	

As mentioned in the situational analysis, open space and recreation within the Municipal Area can be divided into 2 categories: passive and active open space. Proposals for Dipaleseng urban areas are made according to these categories.

Passive open space consists of land that is unsuitable or undesirable for urban development due to certain topographical or ecological constraints. The open space system of the Municipal Area must include the following elements:

- **Water Sources: The conservation of passive open spaces that contain watercourses is of specific importance. The natural drainage channels and banks of these rivers and dams must be protected up to the 100-year flood line. Sanitation systems must be provided in settlements located close to these water sources to avoid the pollution of these water sources by sewerage and other harmful effluents.**
- **Mountainous Areas: The tail of the Drakensburg stretches in a north-south direction across the western area of Dipaleseng. This mountain range is also a primary visual and structuring element within the Municipal Area. For these reasons this mountain range must be protected and form part of the municipal wide passive open space system.[Consider deleting not applicable to Dipaleseng]**

Active open space involves the recreational component of the open space system. It provides sport facilities at settlements for use by local clubs and schools. Correctly located, well-developed and maintained recreation facilities can be an asset for the people of Dipaleseng. Formulating principles for the development of active open space can help ensure that standards of quality and usefulness are achieved in the planning, design and management of such spaces.

5.3.5 IMPLEMENTING THE SDF

As part of the Dipaleseng IDP, the SDF and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the Performance Management System. Practical implementation of the SDF will be achieved through the further detailed planning of special development areas and the Dipaleseng Land Use Management System, currently being formulated.

5.3.5.1 DEMARCATING AN URBAN EDGE

The introduction of urban edge principles to control the sideways expansion of urban settlements has become fairly common in the municipal environment. However the success in achieving their primary objective, however, has not been particularly good, as urban expansion sometimes still continues in an uncontrolled way, beyond the existing built-up area.

These types of developments and expansion usually includes large, private developments which seek to privatize convenience, in a variety of forms for example, eco-and other form of resort villages, retirement complexes based on the theme of retreating to the countryside, and so on, which frequently result in 'ad-hoc' sprawl; small scale incremental development by smaller developers and individual land owners, The issue of land prices and low income housing projects, informal settlements and the availability of land usually contributes to development beyond the urban edge.

The urban edge is a medium-term to long-term edge line (5-20 years) that has been demarcated to limit urban sprawl, or to protect natural resources. Demarcating an urban edge has specific advantages, the primary being to prevent uncontrolled urban sprawl. Urban sprawl is undesirable since it increases pressures on the limited resource of local government, from public transport to water and sanitation infrastructure provision and impede on valuable agricultural land.

Drawing an urban edge will also protect valuable agricultural land and ecologically sensitive areas from urban encroachment. But an urban edge can also have drawbacks. For example, it can restrict the supply of land for urban development, which will inflate land prices within the urban boundary. Care should therefore be taken when demarcating an urban edge. A balance should be reach between providing enough land for urban development and the need for sustainable development.

Certain actions are however required to ensure that the urban edge are effective. These include:

- **A clear demarcation of the urban edge;**
- **Ensure protection of land beyond the urban edge;**
- **Meeting the demand for growth;**
- **Strategic densification, urban renewal and infill planning.**

An urban edge is demarcated for the Municipal Area as part of the SDF. The proposed urban edge, which is illustrated on Map 1, was demarcated using the following guiding principles:

- **The containment of the urban sprawl and the promotion of infill and densification;**
- **Eradicating sprawl and promoting urban compaction;**
- **Protecting important elements within urban settlements;**
- **Promoting small scale agriculture;**
- **Avoid fragmentation of rural and wilderness landscapes;**
- **Maintain the dominance of agricultural and wilderness landscapes outside of urban cores;**
- **The creation of urban corridors along public transportation Routes;**
- **The future municipal housing need and associated land Required;**
- **The cost implications of establishing new infrastructure for new township developments;**
- **Taking into consideration unsafe geological conditions;**
- **The conservation of environmentally sensitive areas;**
- **The protection of high-potential agricultural land;**
- **Identified desired and undesired utilization of land**

A guideline for the type of land uses to be allowed inside and outside of the urban edge are depicted in Table below. As a rule, the urban edge applies to all developments requiring a township establishment application.

Inside urban edge	Outside urban edge
• Urban settlements • Rural settlements • Business and office areas • Industrial and commercial areas • Governmental uses • Urban agriculture • Residential Areas • Public Open Space • Private Open Space • Bulk infrastructure &Servitudes	• Extensive and intensive agricultural areas • Conservation areas and nature reserves • Tourism facilities and related activities • Rural services (social & economic) • Agricultural holdings • Communal farms • Mines & Quarries • Water Catchments • Bulk infrastructure & Servitudes

As Dipaleseng grows, the municipality will need to provide more undeveloped land for urban development, and the edge line will have to be reviewed and adjusted. These adjustments:

- **must not be where natural, heritage or scenic resources merit protection;**
- **should facilitate the logical extension of the Town's infrastructure network; and**
- **Should allow sufficient urban development land within the edge line to accommodate at least 10 years' urban growth.**

The Urban Edge for Dipaleseng aims to contain urban development along the development corridors proposed in the Development Concept. In addition, it largely aims to prohibit urban sprawl into the intensive agricultural areas around Waterval River and towards the productive agricultural land. A number of existing mining settlements are located within the urban edge and can be formalized through a township establishment procedure. The land beyond the urban edge should be earmarked for non-urban uses only that can benefit from those in close proximity to the urban core and opportunities. Existing settlements beyond the urban edge have to be acknowledged but they should be contained and their growth limited and basic services should be provided.

5.3.5.2 SPECIAL DEVELOPMENT AREAS

In order to give focus to the organizational activities of the DLM as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas: - areas where the Municipality would need to prioritize its spending and resources to enhance and promote integrated development outcomes. These are proposed as: -

- **The Dipaleseng CBD as a Primary CBD Node;**
- **The Siyathemba CBD as a Community Multi use Node;**
- **The Nthorwane CBD as a Community Multi use Node;**
- **The JBC intervention and investment area as a Primary CBD Node;**
- **The Dipaleseng South intervention and investment area**
- **In the case of the Dipaleseng, Siyathemba and Nthorwane CBD's, the Dipaleseng South Development Area, Siyathemba, Balfour, & Nthorwane Area as well as Grootvlei, Local Area Development Plans and urban design frameworks with more locality specific detail have been prepared and should be considered as extension**

of this Municipal Wide Spatial Development Framework and adopted together with the said SDF.

Rural Development Areas where the focus would be on development planning for livelihoods support and agricultural development. These areas are seen as key target areas for land reform, principally for land redistribution, land tenure reform and land reform for agricultural development. The principal target areas are land that is presently under pressure for settlement. The main component areas include: -

- **Siyathemba**
- **Nthorwane,**
- **Grootvlei Ext 1**

5.3.5.3 SDF IMPLEMENTATION PLAN (CAPITAL PROJECTS 2010-2014)

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting. This will be done through the IDP.

The major key capital projects (62 in total) with a spatial dimension / implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

Besides the current 2009/2013 capital projects that are in operation the municipality also indicated a 3 year priority plan (2011-2013) for the implementation of proposed projects per department. These projects can be found within the draft report and are not included within the executive summary.

5.4 MAP INDICATING SPATIAL REFERENCING

5.5 THREE YEAR INVESTMENT PROGRAMME

5.5.1 CAPITAL INVESTEMENT PLAN

PROJECT DESCRIPTION	COMMITTED OR NEW PROJECT	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2016/2017 DRAFT BUDGET
CORPORATE SERVICES				
Website Development Project - Phase 2			NO FUNDING	
			NO FUNDING	
			NO FUNDING	
			NO FUNDING	
			NO FUNDING	
			NO FUNDING	
			NO FUNDING	
COMMUNITY SERVICES				
Upgrading of Siyathemba Stadium	**COMMITTED**		R 3 000 000.00	

PROJECT DESCRIPTION	COMMITTED OR NEW PROJECT	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2016/2017 DRAFT BUDGET
PROJECTS TO BE UPDATED DURING THE REVIEW				
BUDGET AND TREASURY OFFICE				
PROJECTS TO BE UPDATED DURING THE REVIEW				
			-	-

PROJECT DESCRIPTION	COMMITTED OR NEW PROJECT	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2016/2017 DRAFT BUDGET
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS				
Establishment of Cemetery -Grootvlei	COMMITTED	R 1000 000.00		
Acquisition of Land for Development	NEW		NO FUNDING	
Formalization of Zenzele	NEW		NO FUNDING	
Rezoning & Sub-division of Erf 5577 Joe Slovo	NEW		NO FUNDING	
Provision of Infrastructure-new services Ext 6	NEW		NO FUNDING	
			-	-
Building of FET College	COMMITTED	R 350 000 000.00		
Expansion/upgrading of Sewer works -Gvlei	COMMITTED		11 000 000.00	
Expansion of Waste Water Treatment Works	COMMITTED		500 000.00	
Provision of Sewer Reticulation Ext 1 -Gvlei	COMMITTED		820 000.00	
Construction and Rehabilitation of Roads in Dipaleseng	COMMITTED		3000 000.00	
Upgrade of Water Reticulation Ext 6	COMMITTED		1 400 000.00	
PMU	COMMITTED		880 000.00	
Electrification of 145 Households	COMMITTED		1 500 000.00	
Upgrading of Electrical substation	COMMITTED	**R 500 000.00**		
Upgrading of Zwane Str (800M)	COMMITTED	R2 500 000		
Upgrading of Sebiloane Str (1,3 KM)	COMMITTED	R 5 500 000		
Building of 75 housing units ward 2	COMMITTED	R 4 845 000		

PROJECT DESCRIPTION	COMMITTED OR NEW PROJECT	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2016/2017 DRAFT BUDGET
Building of 75 housing units ward 1	COMMITTED	R4 680 000		
Building of 75 housing units ward 2	COMMITTED	R4 680 000		
Completion of 52 housing units Ward 4	COMMITTED	R3 380 000		
Building 55 housing units Ward 2	COMMITTED	R 3 575 000		
Construction 120M of Storm-water Drainage	COMMITTED	R 420 000		
Ablution Facilities at Cemeteries & Sports	NEW		NO FUNDING	
Access Road to Dipaleseng FET	NEW		NO FUNDING	
Build Over-head Bridge intersection R23&R51	NEW		NO FUNDING	
Traffic Control (Robots in Balfour)	NEW		NO FUNDING	
Extend Rail Bridge at Johnny Mokoena Dr	NEW		NO FUNDING	
Improved aesthetically pleasant, habitable and vibrant	NEW		NO FUNDING	
Upgrade the following roads:	SASOL (SLP)		**R 10 000 000**	
Masoloane Str				
Mavuso Str				
Motsoeneng Str				
Maziya Str				
Tshabalala Str				
Str Nyembe Str				

5.5.2 SECTOR INVOLVEMENT

5.5.2.1 DEPARTMENT OFEDUCATION

WARD	PROJECT NAME	CURRENT BUDGET : 2013-2014	3 YEARS MTF/ FUTURE PROJECTS

5.5.2.2 DEPARTMENT OF TRANSPORT

WARD	PROJECT NAME / ROAD NAME	CURRENT BUDGET : 2014-2015	3 YEARS MTF/ FUTURE PROJECTS
		2014-2015	
		2014-2015	

WARD	PROJECT NAME / ROAD NAME	CURRENT BUDGET : 2014-2015	3 YEARS MTF/ FUTURE PROJECTS
2	Gravelling and Pothole Patching	2014-2015	Gravelling
3	Gravelling and Pothole Patching	2014-2015	Gravelling
4	Gravelling and Pothole Patching	2014-2015	Gravelling
5	Gravelling and Pothole Patching	2014-2015	Gravelling
6	Gravelling and Pothole Patching	2014-2015	Gravelling

5.5.2.3 ESKOM

WARD	PROJECT NAME	CURRENT BUDGET : 2011-2012	3 YEARS MTF/ FUTURE PROJECTS
	PROJECT NOT RECEIVED		

5.5.2.4 HUMAN SETTLEMENTS

PROJECT DESCRIPTION	FUNDING SOURCE	WARD	PROJECT VALUE	FUNDING STATUS	START DATE	IMPLEMENTING AGENT	TIME FRAME/PROJECT PERIOD	2011/2012 CURRENT BUDGET
Building of 75 houses	DHS	1	**R 4 845 000**	Approved		Samsokolo	2012 - 2014	**R 4 845 000**
Building of 75 houses	DHS	2	R 4 845 000	Approved			2012 - 2014	**R 4 845 000**
Completion of 52 houses	DHS	4	R 3 380 000	Approved				
Building of 55 houses	DHS	4	R 3 575 000	Approved				

PROJECT DESCRIPTION	FUNDING SOURCE	WARD	PROJECT VALUE	FUNDING STATUS	START DATE	IMPLEMENTING AGENT	TIME FRAME/PROJECT PERIOD	2011/2012 CURRENT BUDGET

SECTION F:
FINANCIAL PLAN

6 FINANCIAL PLAN

To achieve delivery on the IDP goals, focus areas and objectives, it is essential to align the municipality budget with the strategy. Sections below expand on aspects of the Dipaleseng Municipality's medium term financial planning and the extent to which it is possible to align the budget to all priorities of the wards, given our financial constraints and the need to concentrate on basis service delivery.

The long-term financial viability of municipalities depends largely on:

- **The extent to which improved and sustainable revenue Capacity can be achieved.**
- **Sound financial management of its resources.**

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

The following are significant results of our analysis on the Municipality's Financial Performance, Financial Position, and Cash Flows & Organisation Environment.

6.1.1 OPERATIONAL BUDGET ESTIMATES

A municipality is a non-profit organization and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery are applied. However, reliance is placed on economic and trading services to fund the "Rate- and General Services".

6.1.2 FINANCIAL POSITION

6.1.2.1 ASSETS

The municipality has an investment of over R3, 3 Billion in assets. As evident from the table below, this investment has sharply increased in the last financial year. Although the big chunk of this increase was as a result of revaluation of assets and reversal of impairment of Investment in Fortuna Water, it is worth mentioning that we have invested an amount of R152 Million in Infrastructure and other movable assets, which is a good indicator as it allows the municipality to have to render service delivery to communities, that we serve.

6.1.2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible items that:

- **are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and**
- **Are expected to be used during more than one reporting period.**

The municipality has significantly invested in assets which augur well for service delivery. Assets increased by 16% from 2009 to 2012. Property, Plant and Equipment represents 38% of the capital structure of the municipality.

6.1.2.3 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash invested with banks. Cash and cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

6.1.2.4 INVESTMENT PROPERTY

Investment property is Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- **use in the production or supply of goods or services or for administrative purposes, or**
- **Sale in the ordinary course of operations.**

Investment Property represents 1.85% of the capital structure of the municipality. Most of Investment Property is vacant land which means the municipality has adequate potential to facilitate development, which bode well for our future revenue growth.

6.1.2.5 CONSUMER DEBTORS

Amounts billed to consumers, net of the provision for bad debts. The Municipality has provided for R234 Million as bad debts in 2013 which may impose significant strain on our liquidity position in the future if not urgently managed. However, as we alluded to earlier in this report, it is imperative for the municipality to embark in a vigorous debt collection exercise, in order to improve our liquidity position.

6.1.2.6 OTHER DEBTORS

Amounts owed by levy-payers, financial institutions in respect of interest on investments and sundry debtors; could also include deposits made by the municipality. The R59 Million sitting on Other Debtors will have a negative impact on future financial viability of the Municipality if do not embark on a vigorous debt collection drive.

- **Long Term Receivables: Receivables that is not receivable over the next 12 months.**
- **Current Portion of Receivables: Amounts that will be recoverable from long-term debtors within the next 12 months.**
- **Vat Receivable: Net VAT recoverable from SARS. If income tax is recoverable, together with VAT, these amounts will be disclosed as "taxes" on the Statement of Financial Position.**
- Inventory: Consumable, net of obsolescence provision.

6.1.2.7 LONG-TERM LIABILITIES

The Long Term Liabilities has increased from R59 157 235 to R86 043 788 which is 45% increase.

Non-Current Provision for Landfill Site

In terms of the licencing of the landfill refuse site, council will incur rehabilitation costs of R 6.9 million to restore the site at the end of its useful life, estimated to be in 2017 by our engineers. Provision has been made for the net present value of this cost using the average cost of borrowing interest rate. The municipality need to make a provision R6.9 million to rehabilitate the site.

6.1.2.8 CONSUMER DEPOSITS

Deposits held in lieu of providing municipal services on credit.

6.1.2.9 NON-CURRENT PROVISIONS: PLAN OBLIGATIONS

The municipality provides retirement benefits for its employees and councillors. This means if the Retirement Fund should get liquidated, the municipality will be required to fulfil the obligation to retired employees and councillors.

6.1.2.10 UNSPENT CONDITIONAL GRANTS

These are conditional grants from other spheres of government. These amounts represent the obligation of the municipality to comply with the conditions of the grant. If the municipality fails to fulfil the obligations, we will be required repay the money to the National Revenue Fund.

6.1.2.11 TRADE AND OTHER PAYABLES

Trade creditors, staff leave accrual and payments received in advance which represent amounts invoiced or received by the Municipality where services still have to be rendered. These are obligations which the Municipality will be required to fulfil in the future.

6.1.3 SOLVENCY

The entity remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During the year under review an amount of R152 million was invested in assets.

The table below illustrates our solvency situation for the 4 years being analysed:

MP306 Dipaleseng - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		1,265	3,427	3,497	(32,707)	(31,124)	(23,581)	(23,581)	(37,854)	(52,970)	(60,929)
Call investment deposits	1	–	–	13,927	15,000	15,000	21,000	21,000	21,000	–	–
Consumer debtors	1	21,774	20,091	7,013	35,605	19,013	19,013	19,013	8,346	119,761	133,297
Other debtors		614	885	–	9,000	9,000	–	–	–	–	–
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	27	160	–	–	–	–	160	169	179
Total current assets		23,653	24,431	24,597	26,898	11,889	16,432	16,432	(8,348)	66,961	72,548
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	5,869	5,588	–	–	–	–	5,306	5,045	4,764
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	323,521	310,664	294,699	382,192	307,853	307,853	307,853	274,665	260,540	260,185
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–		–	–	–	–	–	–	–
Intangible		–	350	350	–	–	–	–	350	350	350
Other non-current assets		–	1,155	217	–	–	–	–	217	217	217
Total non current assets		323,521	318,039	300,853	382,192	307,853	307,853	307,853	280,538	266,152	265,516
TOTAL ASSETS		347,173	342,469	325,450	409,090	319,742	324,285	324,285	272,190	333,113	338,063
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits		1,247	1,342	1,384	1,400	1,400	1,400	1,400	1,487	1,575	1,661
Trade and other payables	4	36,540	45,783	71,346	56,800	33,237	34,042	34,042	48,448	29,068	30,667
Provisions		–	–	–	4,000	4,000	4,000	4,000	4,248	4,499	4,751
Total current liabilities		37,787	47,125	72,730	62,200	38,637	39,442	39,442	54,183	35,141	37,078
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		7,093	12,033	13,314	–	13,239	13,239	13,239	14,207	15,104	15,996
Total non current liabilities		7,093	12,033	13,314	–	13,239	13,239	13,239	14,207	15,104	15,996
TOTAL LIABILITIES		44,880	59,157	86,044	62,200	51,876	52,681	52,681	68,390	50,245	53,074
NET ASSETS	5	302,294	283,312	239,406	346,890	267,866	271,604	271,604	203,800	282,868	284,989
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		302,294	283,312	239,406	346,890	267,866	271,604	271,604	203,800	282,868	284,989
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	302,294	283,312	239,406	346,890	267,866	271,604	271,604	203,800	282,868	284,989
check balance		-459.00	-5.00	-310.00	-	-	-	-	414.36	235.82	57.30

References

1. Detail to be provided in Table SA3

2. Include completed low cost housing to be transferred to beneficiaries within 12 months

3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)

4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.

5. Net assets must balance with Total Community Wealth/Equity

Although the above scenario is comforting, we are planning to conduct testing assets for impairment or put differently, undertaking condition assessment of roads infrastructure assets. One hopes that the carrying values of assets and liabilities at balance sheet dates, particularly in 2014 year end, closely resemble the recoverable amounts as this would have dire consequences on the solvency of the organization in the future.

6.1.4 LIQUIDITY

As evident from the table below, the Dipaleseng Municipality will not be able fulfil its short term obligations on time and the situation has deteriated compared to 2010. As depicted on the graph below the liquidity has moved from healthy 0.65 (ratio of current assets to current liabilities) in 2010 to a worse 0.30 in 2013. The net result is that the Municipality cannot service its short term commitments, which is not a good indicator.

However, on analysis of the ageing of debtors as presented on the financial statements, we noted further that there is a significant debts amounting to R253 000 000 that are due for over 90 days. The general state of the ageing of debts is a course for concern. We would place a high risk on the collection of these amounts which puts an even greater strain on the liquidity position of the municipality. Concerted efforts are necessary to augment debt collection strategies in order to ensure that the municipality remains financially viable in a long term. The table below highlights our liquidity position for the 2010, 2011, 2012 and 2013 financial years:

Item	2013	2012	2011	2010
Current Assets	11889 000	24 597 000	24 431 000	21 774 000
Current Liabilities	38 637 000	72 730 000	47 125 000	33 136 000
Ratio	**0.30**	**0.33**	**0.52**	**0.65**

6.1.5 CASH FLOWS

The analysis below has been made from the cash flow statement presented on the annual reports for the years under scrutiny.

The table below depicts the cash flow analysis of the municipality from the past 4 year's cash flows:

MP306 Dipaleseng - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		60,610	43,715	34,807	62,568	42,430	42,430	42,430	68,426	72,463	76,521
Government - operating	1	37,099	79,399	69,174	49,499	49,499	49,499	49,499	51,948	55,013	58,094
Government - capital	1	14,867	–	–	20,593	47,356	20,593	20,593	79,095	22,953	27,102
Interest		1,151	2,556	14,173	72	265	265	265	309	327	345
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(94,573)	(101,080)	(90,726)	(131,415)	(138,342)	(138,342)	(138,342)	(134,479)	(142,413)	(142,413)
Finance charges		–	(685)	(1,039)	(312)	(450)	(450)	(450)	(477)	(505)	(505)
Transfers and Grants	1	–	–	–	(8,912)	(1,950)	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		19,154	23,905	26,390	(7,907)	(1,192)	(26,005)	(26,005)	64,822	7,837	19,143
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		(883)	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	938	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(13,043)	(21,743)	(13,332)	(20,593)	(47,356)	(15,000)	(15,000)	(79,095)	(22,953)	(27,102)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(13,926)	(21,743)	(12,393)	(20,593)	(47,356)	(15,000)	(15,000)	(79,095)	(22,953)	(27,102)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		3,308	–	–	–	–	–	–	–	–	–
Payments			–								
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		3,308	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		8,536	2,162	13,997	(28,500)	(48,548)	(41,005)	(41,005)	(14,273)	(15,116)	(7,959)
Cash/cash equivalents at the year begin:	2	1,265	9,801	11,963	15,000	17,424	17,424	17,424	(23,581)	(37,854)	(52,970)
Cash/cash equivalents at the year end:	2	9,801	11,963	25,960	(13,500)	(31,124)	(23,581)	(23,581)	(37,854)	(52,970)	(60,929)

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

Total receipts	112,844	125,670	119,093	132,732	139,550	112,787	112,787	199,778	150,756	162,061
Total payments	(107,616)	(123,508)	(105,096)	(161,232)	(188,098)	(153,792)	(153,792)	(214,051)	(165,871)	(170,020)
	5,228	2,162	13,997	(28,500)	(48,548)	(41,005)	(41,005)	(14,273)	(15,116)	(7,959)
Borrowings & investments & c.deposits	3,308	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–
	8,536	2,162	13,997	(28,500)	(48,548)	(41,005)	(41,005)	(14,273)	(15,116)	(7,959)
	–	–	–	–	–	–	–	–	–	–

As evident from the table above, the municipality has been having negative cash flows from its operations. The financing situation for the Municipality has been negative.

MP306 Dipaleseng - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	7,455	9,541	13,393	12,552	14,048	14,048	14,048	14,919	15,799	16,668
Property rates - penalties & collection charges		–	–	–	–	–	–		–	–	–
Service charges - electricity revenue	2	23,493	31,318	38,936	48,490	34,203	34,203	34,203	36,731	39,445	42,360
Service charges - water revenue	2	11,666	24,050	13,604	12,315	14,015	14,015	14,015	14,868	15,745	16,611
Service charges - sanitation revenue	2	10,286	11,561	11,193	10,200	12,000	12,000	12,000	12,744	13,496	14,238
Service charges - refuse revenue	2	3,820	4,044	6,946	3,866	4,572	4,572	4,572	4,855	5,142	5,425
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		170	215	211	175	188	188	188	221	212	223
Interest earned - external investments		8,950	144	247	72	265	265	265	309	327	345
Interest earned - outstanding debtors		–	2,412	13,927	2,520	5,200	5,200	5,200	5,522	5,848	6,170
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		250	312	205	283	310	310	310	234	349	368
Licences and permits		1,965	–	–	–	–	–	–	–	–	–
Agency services		–	2,151	2,494	2,431	2,601	2,601	2,601	2,762	2,925	3,086
Transfers recognised - operational		46,546	64,569	57,916	49,499	49,499	49,499	49,499	52,787	56,840	58,394
Other revenue	2	991	10,955	5,009	1,741	4,676	4,676	4,676	3,114	3,114	3,114
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		115,592	161,271	164,083	144,145	141,577	141,577	141,577	149,066	159,241	167,001
Expenditure By Type											
Employee related costs	2	34,801	34,802	33,639	43,732	44,222	44,222	44,222	48,010	51,082	54,491
Remuneration of councillors		–	3,847	4,162	5,265	5,262	5,262	5,265	5,527	5,804	6,094
Debt impairment	3	–	42,951	71,149	32,006	46,000	46,000	46,000	22,654	23,996	25,324
Depreciation & asset impairment	2	28,432	28,919	26,678	33,000	33,984	33,984	33,984	36,091	38,220	40,322
Finance charges		–	685	1,039	–	450	450	450	478	506	534
Bulk purchases	2	25,684	39,442	37,895	49,800	46,268	46,268	46,268	44,560	53,851	58,073
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		–	–	5,289	10,530	8,980	8,980	8,980	6,333	8,300	8,756
Transfers and grants		–	–	–	–	–	–	–	0	0	0
Other expenditure	4, 5	49,480	36,162	12,086	27,387	38,445	38,445	38,445	30,458	25,087	26,410
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		138,398	186,808	191,937	201,720	223,611	223,611	223,614	194,111	206,846	220,004
Surplus/(Deficit)		(22,806)	(25,537)	(27,854)	(57,575)	(82,034)	(82,034)	(82,037)	(45,045)	(47,605)	(53,003)
Transfers recognised - capital		–	–	–	–		–	–	–	–	–
Contributions recognised - capital	6	–	–	–	16,125	16,125	16,125	16,125	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(22,806)	(25,537)	(27,854)	(41,450)	(65,909)	(65,909)	(65,912)	(45,045)	(47,605)	(53,003)
Taxation		–	–	–	–	–	–	–		–	
Surplus/(Deficit) after taxation		(22,806)	(25,537)	(27,854)	(41,450)	(65,909)	(65,909)	(65,912)	(45,045)	(47,605)	(53,003)
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(22,806)	(25,537)	(27,854)	(41,450)	(65,909)	(65,909)	(65,912)	(45,045)	(47,605)	(53,003)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(22,806)	(25,537)	(27,854)	(41,450)	(65,909)	(65,909)	(65,912)	(45,045)	(47,605)	(53,003)

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method

8. All materials not part of 'bulk' e.g road making materials, pipe, cable etc.

check balance	1,904,059	1,707,438	14,936,538	22,236,701	14,275,000	14,274,999		-324	-29,476	-237,808
Total revenue	115,592	161,271	164,083	160,270	157,702	157,702	157,702	149,066	159,241	167,001

It should be noted that the above deficit is calculated in terms of accrual principle and therefore not 100% cash backed.

6.1.6 CAPITAL BUDGET ESTIMATES AND FUNDING SOURCES

Capital Expenditure - Standard											
Governance and administration		–	710	1,382	–	–	–	–	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–
Budget and treasury office		–	500	1,159	–	–	–	–	–	–	–
Corporate services		–	210	223	–	–	–	–	–	–	–
Community and public safety		–	1,850	5,381	7,362	7,362	7,362	7,362	–	–	–
Community and social services		–	1,700	4,381	3,737	3,737	3,737	3,737	–	–	–
Sport and recreation		–	150	1,000	3,625	3,625	3,625	3,625	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	12,000	11,544	19,000	20,200	20,200	20,200	37,610	–	–
Planning and development		–	–	–	–	1,200	1,200	1,200	34,610	–	–
Road transport		–	12,000	11,544	19,000	19,000	19,000	19,000	3,000	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		–	18,062	27,708	31,970	31,970	31,970	31,970	15,605	–	–
Electricity		–	4,820	1,655	3,660	3,660	3,660	3,660	1,885	–	–
Water		–	3,042	15,053	13,600	13,600	13,600	13,600	1,400	–	–
Waste water management		–	10,200	11,000	10,760	10,760	10,760	10,760	12,320	–	–
Waste management		–	–	–	3,950	3,950	3,950	3,950	–	–	–
Other					–	13,889	13,889	13,889	880	–	–
Total Capital Expenditure - Standard	3	–	32,622	46,015	58,332	73,421	73,421	73,421	54,095	–	–
Funded by:											
National Government		–	–	29,771	32,267	46,156	46,156	46,156	19,485	–	–
Provincial Government		–	–	–	–	–	–	–	34,610	–	–
District Municipality		–	–	9,482	9,940	9,940	9,940	9,940	–	–	–
Other transfers and grants		–	–	5,500	16,125	16,125	16,125	16,125	25,000	–	–
Transfers recognised - capital	4	–	–	44,753	58,332	72,221	72,221	72,221	79,095	–	–
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	1,382	–	1,200	1,200	1,200	–	–	–
Total Capital Funding	7	–	–	46,135	58,332	73,421	73,421	73,421	79,095	–	–

6.1.7 FINANCIAL MANAGEMENT ARRANGEMENTS

For the effective and efficient financial management of the municipality, all role-players, inclusive of the Municipal Councillors, must provide an environment conducive to good management. Local Government legislation and National Treasury circulars articulate and provide regulatory structure. Council and officials define this environment by developing and accepting policy guidelines to govern financial decision-making.

The management arrangements of Dipaleseng Municipality are reflected in the following policy documents:

DOCUMENT	PURPOSE	STATUS
Credit Control and Debt Collection Policy	• To establish consolidated, sound and practically executable credit control measures to be applied in respect of all property owners and consumers. • To regulate the actions pertaining to arrear accounts, including extensions granted, written arrangements to pay-off arrears, the monitoring thereof and legal actions associated with unpaid accounts.	In place.
Indigent Policy	To subsidise indigent households with income level of R1 500.00 enabling them to pay for a basic package of municipal services.	In place.
Tariff Policy	To provide a framework to determine rates and tariffs to finance expenditure.	In place.
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners.	In place.
Supply Chain Management Policy	To provide a system of procurement that gives effect to the principles of: • Fairness; • Equity; • Transparency;	In place.

	• Competitiveness; and Cost effectiveness.	
Asset Management Policy	• To ensure that all aspects of assets from acquisition to disposal are met.	In place.
Budget Policy	The policy set out the budgeting principles which Dipaleseng Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustment budgets. The framework for virements is also explained in the Virement Policy.	In place.

6.1.8 FINANCIAL STRATEGIES AND PROGRAMMES

The optimal use of available resources, the maximum raising of revenue and the sustainable delivery of services are the key elements to a successful financial strategy. The Municipality has developed and implemented the following key strategies in this regard:

STRATEGY	CURRENTLY IN PLACE
Revenue raising strategies	• To ensure optimum billing for services rendered and cash collection. • To ensure effective credit control and debt reduction – Turn point plan. • In the structuring of tariffs, continue with user-pay principal and full cost recovery. • Revaluation of all properties as per the Municipal Property Rates Act, at market related values. • To introduce easy pay method.
Asset Management Strategies	• Completed process of unbundling of all infrastructure assets and compiling a new improved asset register. • Conducting full audit of all assets of the municipality. • To improve overall management of fixed assets.
Financial	• Continued cash flow management.

Management Strategies	
Capital financing strategies	• Continued sustainable use of Own Financial Resources. • Use of bulk service contributions to fund extensions. • Accessing national and provincial funding through proper request, business plans and motivations. • Leveraging of private finance.
Operational financing strategies	• To introduce free basic services within the limits of affordability. • Implementation of proper tariff structures for all the services. • "Economic"- and "Trading Services" being cost effective.
Strategies that would enhance cost-effectiveness	• Investigation into possibilities for utilising new technology to save costs. • Implementation of new systems/equipment acquired to address Capacity shortages. • Implementation of electronic bank reconciliation.

SECTION G:
ANNUAL OPERATIONAL PLAN

SECTION H:
ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

8 PERFORMANCE MANAGEMENT SYSTSEM (PMS)

8.1 ORGANISATIONAL SCORE CARD

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
Organizational / Institutional Development	1. To ensure optimal institutional structure to render effective and efficient service aligned to the IDP.	To review and Implement organogram with adequate Capacity.	Number of teambuilding sessions held in conjunction with HRD (See HRD KPI)	4	4	4	4	4	Corporate Services (EAP/HRD)
			Finalisation of placement process	100%					Municipal Manager
			Number of employees seen for EAP consultations	25	20	15	10	5	Corporate Services (EAP)
		To provide adequate human capital.	Percentage of job descriptions submitted for evaluation	100%	100%	100%	100%	100%	Corporate Services (Work Study)
			Number of critical position filled	17	17	17	17	17	Corporate Services (Work Study)
			% of Critical vacancies within the organisation filled (budgeted for)	100%	100%	100%	100%	100%	Corporate Services (Human Resources)
			% of Critical vacancies within the organisation identified	100%	100%	100%	100%	100%	Corporate Services (WORKSTUDY)
			Total number of posts on organogram	100	100	100	100	100	Corporate Services (Work-study)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
			Budget amount on Workplace Skills Plan (WSP)	7, 878, 640	9, 142, 268	9, 990, 725	10, 390, 354	10, 805, 968	Corporate Services (HRD)
			Actual Amount Spent on WSP						Corporate Services (HRD)
			Percentage of Budget spent on WSP	92%	92%	92%	92%	92%	Corporate Services (HRD)
		To promote a zero fatality and ensure a healthy and safe work environment	% of IOD addressed	100%	100%	100%	100%	100%	Corporate Services (Safety)
			Number of safety committee meetings held	9	9	9	9	9	Corporate Services (Safety)
			To have all scarce skills identified and allowance paid. Number of positions with scarce skills identified						Corporate Services (Work Study)
		To render an effective and efficient HR support service	Average turnaround time for the filling of a vacancy	42 days	40	38	36	34	Corporate Services (Human Resources)
			Average percentage of leave forms received processed	90%	90%	90%	90%	90%	Corporate Services (Human Resources)
		To comply with legislation and fast track	Compliance with submission of Employment Equity Report	1	1	1	1	1	Corporate Services (Human Resources)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
		transformation	Number of people from employment equity target groups employed in the three highest levels of management	18	18	18	18	18	Corporate Services (Human Resources)
Administration and skills development	To ensure effective and efficient administrative support services.	To provide efficient and effective general administrative support services	Strategy management for IT Services	Approved Systems project management policy and review IT strategic plan; aligned with business strategy	Implement Systems Project management policy and review IT Strategic Plan	Review and maintain systems project management policy and review IT strategic plan	Review and maintain systems project management policy and review IT strategic plan	Review and maintain systems project management policy and review IT strategic plan	Corporate Services (IT)
		To provide efficient and effective IT support services and systems	1. Capacity, Performance and availability Management	Develop and implement Capacity, performance and availability monitoring plan	Implement performance, Capacity and availability monitoring plan	Review and maintain performance, Capacity and availability monitoring plan	Review and maintain performance, Capacity and availability monitoring plan	Review and maintain performance, Capacity and availability monitoring plan	Corporate Services (IT)
			2. IT Service Continuity Management	Bi-annual business continuity plan tests	Bi-annual business continuity plan tests	Bi-annual business continuity plan tests	Bi-annual business continuity plan tests	Bi-annual business continuity plan tests	

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
			3. Information Security Management	Maintain an information security threats register (Risk Management)	Monitor and manage information security threats	Monitor and manage information security threats; develop organization-wide data confidentiality and integrity plan	Monitor and manage information security threats; develop organization-wide data confidentiality and integrity plan	Monitor and manage information security threats; develop organization-wide data confidentiality and integrity plan	
			4. Change Management	Establish change procedures and implementation cycles	Manage change procedures and implementation cycles	Manage change procedures and implementation cycles	Manage change procedures and implementation cycles	Manage change procedures and implementation cycles	
			5. IT Asset Management	Maintain an IT Asset Register	Monitor, manage and maintain an IT asset register	Monitor, manage and maintain an IT asset register	Monitor, manage and maintain an IT asset register	Monitor, manage and maintain an IT asset register	Corporate Services (IT)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
			6. Incident and Problem Management	Develop a repository Of information systems incidents and problems encountered	manage and maintain a knowledge-base of regular incidents and problems	manage and maintain a knowledge-base of regular incidents and problems	manage and maintain a knowledge-base of regular incidents and problems	manage and maintain a knowledge-base of regular incidents and problems	
		To provide efficient and effective IT support services and systems	1. Email Management and Archiving Mechanisms Implementation	Implement Microsoft exchange server	Develop email archiving and data integrity plans	implement email archiving and data integrity plans	manage and maintain email archiving and data integrity plans	manage and maintain email archiving and data integrity plans	
			2. Website redesign	Website redevelopment and launch	Maintain and manage website	Maintain the website and implement online self-service municipal functions	Maintain the website and implement online self-service municipal functions	Maintain and manage the website	
			3. Intranet design	Intranet design and development	Maintain and manage the intranet	Maintain and manage the intranet	Maintain and manage the intranet	Revamp, maintain and manage the intranet	Corporate Services (IT)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
			4. Universal Project Management Systems Implementation	Procure microsoft project	Manage microsoft project licenses	Manage microsoft project licences	Manage microsoft project licences and system upgrades	Manage microsoft project licences and system upgrades	
Institutional Development and Transformation	To develop a Workplace Skills Plan that enables the workforce to be productive and focus on the strategic goals of the municipality in order to achieve the common vision.	To ensure that the Workplace Skills Plan is a product of consultation of all stakeholders in the identification of planned training interventions.	Successful submission of the WSP	Submit WSP to LGESTA	Submit WSP to LGESTA	Submit WSP to LGESTA	Submit WSP to LGESTA	Submit WSP to LGESTA	Corporate Services (Human Resource Development)
			Number of team building exercises	4	4	4	4	4	Corporate Services (Human Resource Development/HR)
Institutional Development and Transformation	To ensure that the Workplace Skills Plan is founded and embedded in the strategic goals of the municipality.	To implement the Workplace Skills plan for a productive and motivated workforce.	Percentage of employees information recorded	Filling of critical vacant positions	Detailed capturing of skills information of 90% of current employees	Detailed capturing of skills information of 90% of current employees	Detailed capturing of skills information of 90% of current employees	Detailed capturing of skills information of 90% of current employees	Corporate Services (Human Resources)
			Number of interventions arranged into the WSP		110	110	110	110	Corporate Services (Human Resource Development)

PROGRAM	STRATEGIC OBJECTIVE	OPERATIONAL OBJECTIVE	PROPOSED KPI	ANNUAL TARGET					RESPONSIBLE DEPARTMENT
				2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	
Institutional Development and Transformation		To promote training and development in the organisation.	Percentage of PDP's sent out for updating and / or completion	Filling of critical vacant positions	90% PDP's sent out to employees for updating and / or completion	90% PDP's sent out to employees for updating and / or completion	90% PDP's sent out to employees for updating and / or completion	90% PDP's sent out to employees for updating and / or completion	Corporate Services (Human Resource Development)
Institutional Development and Transformation		To capacitate and cement workforce development to achieve optimal institutional development.	Number of interventions arranged	2	2	2	2	2	Corporate Services (Human Resource Development)
		To ensure compliance and proper implementation of policies and procedures.	Number of policies reviewed and developed	1	1	1	1	1	Corporate Services (Human Resources)

8.2 IDP, BUDGET, PMS INTEGRATION THROUGH SDBIP'S

At a strategic level, the IDP Priorities are aligned to the National Key Performance Areas. In terms of the IDP, Organizational objectives are incorporated into the Organisational PMS by developing applicable indicators for measuring of performance and then setting of targets (within the available resources as specified in the Budget). All of this is consolidated into an Organisational Score-card in line with the NKPA Model selected as specified in the Framework mentioned above to allow for measuring and reporting of performance at an Organisational/Strategic level.

The Organisational Score-card is then unpacked at a departmental/Vote level and informs the development of Service Delivery Budget Implementation Plans (SDBIP's) to allow for performance reporting at an operational level as is required in terms of the MFMA. Ideally, the SDBIP aligns itself with Powers and Functions, Objectives of the Department aligned to IDP and the allocated budget, relevant indicators and targets. The Service Delivery Budget Implementation plan is then cascaded into Section 56 Performance Agreements.

All of these performance reports are then consolidated into the Annual Performance Report that forms a component of the Annual Report as prescribed in the MFMA. Reporting is done quarterly, with supporting evidence being validated and audited. Monthly reporting is now being advocated through the revision of the framework and the Auditor-General's audit strategy to align the municipality to best practices.

8.3 MONITORING, EVALUATION AND REVIEW

In terms of the PMS Framework, at the end of every quarter Directorates are expected to submit to the Office of the IDP Manager their completed Organizational Scorecard and SDBIP's for further submission to Internal Audit. Internal Audit thereafter submits to the External Audit Committee, which in turn reviews the PMS and submits recommendations thereon to the Mayoral Committee. In the absence of a functional Internal Audit unit, reports were submitted directly to the Municipal Manager, Audit committee and Mayoral Committee. An audit review was conducted for the Mid-year assessment only.

The above process is intended to allow the municipality to monitor, evaluate and review its performance based on the National and its own IDP key Performance Indicators. The following table, derived from both the legislative framework for performance management and PMS framework, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to the Municipality:

Table 2 : PMS Reporting requirements

REPORT	FREQUENCY	SUBMITTED FOR CONSIDERATION AND/ OR REVIEW	REMARKS
1. SDBIPs	Quarterly	Mayoral Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayoral Committee	See sections 71 and 54 of the MFMA
3. Organizational Scorecard	Quarterly	Mayoral Committee	PMS framework
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayoral Committee	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual report	Annually	Council	See chapter 12 of the MFMA

8.4 INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57&56 CONTRACTS)

In terms of the Regulations for Municipal Managers and Managers reporting directly to the Municipal Manager, all Performance Agreements were signed for the 2013/14 financial year. In respect of the 2014/15 financial year, this will be informed by the approved SDBIP's by beginning of June 2014. In support of the PMS, a list of annexures regarding the SDBIP and Organizational Scorecard are attached in this document.

SECTION I:
ANNEXURES

SPATIAL DEVELOPMENT FRAMEWORK
DISATER MANAGEMENT
AG AUDIT REPORT AND RESPONSES

9 SECTOR PLANS

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		Comments			
			*LM	*DM	2011/12	2012/13	2013/14	
1.	Disaster Management Plan/ Contingency Plan	None	✓	✓	✓	✓		District Municipality is implementing through shared Services but Dipaleseng has its own Disaster Contingency Plan in place.
2.	HIV/AIDS Action Plan	None	✓	✓	✓	✓		Special Programs are being implemented though at Provincial Program level
3.	Institutional Plan	None	✓		✓	✓	✓	Completed but awaiting approval by Council
4.	Performance Management System (PMS)	None	✓		✓	✓	✓	It's being implemented with Section 56 but rollout is underway
5.	Skills Development Plan	None	✓		✓	✓	✓	Approved by Council and is under implementation.
6.	Financial Management Plan	Identified as the Shortcoming	✓		✓	✓	✓	Fully-fledged Financial Plan to be developed next financial year.
7.	Capital Investment Programme/ Framework (CIP)	Identified as Shortcoming	✓		✓	✓	✓	One Year Capital Program incorporated into the IDP but the Municipality on the process of developing a three to five year capital investment program
8.	Integrated Environmental Programme	Identified as Shortcoming	✓		✓	✓		Being developed and to be completed next financial year.
9.	Local Economic Development (LED)	None	✓		✓	✓		Being reviewed, and to be completed in September 2014.
10.	Poverty Relief / Alleviation Programme	None	✓		✓	✓		Development underway
11.	Revenue Enhancement Strategy	None	✓		✓	✓		Review underway, very critical for the LM
12.	Housing Strategy	None			✓	✓	✓	Under review, and to be completed next financial year
13.	Water Services Development Plan (WSDP)	None	✓	✓	✓	✓	✓	WSDP available, but to be reviewed to meet the needs requirements.
15.	Waste Management Plan	None	✓	✓		✓	✓	Under review to identify new landfill sites.
16.	Roads and Storm water Master Plan	None	✓			✓	✓	To be developed next financial year.
17.	Transportation Plan	None	✓	✓	✓	✓		Developed by the District. Dipaleseng has developed the Urban Transportation Plan
18.	Electrification Plan	None	✓	✓		✓	✓	Available with the DC. But Dipaleseng to develop its own plan
19.	Tourism and Marketing Plan	None	✓	✓		✓	✓	Development underway.
20.	Land Use Management Plan	None	✓		✓	✓	✓	Available and being rollout to townships.
21.	Spatial Development Framework	Identified as good	✓		✓	✓	✓	Review underway.
22.	Gender Employment Equity Plan	Identified as good	✓		✓	✓	✓	Approved by Council and implementation underway.

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		Comments			
			*LM	*DM	2011/12	2012/13	2013/14	
23.	Communication Strategy	Identified as shortcoming	✓		✓	✓	✓	Approved by Council and implementation underway
24.	IT **Communications Policy**	Identified as shortcoming	✓		✓	✓	✓	Approved by EXCO and implementation underway
25.	**IT Policy and Asset Management Policy**	Identified as shortcoming	✓		✓	✓	✓	Approved by EXCO and implementation underway
26.	Fraud and Corruption Prevention Strategy	Identified as shortcoming	✓			✓	✓	To be developed next financial year
27.	Cemetery Plan	Identified as shortcoming	✓			✓	✓	Investigation on identification of suitable sites underway and to be completed in September 2014

ANNEXURE A:
DIPALESENG TURN ARROUND STRATEGY

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
1. Service Delivery (Water infrastructure)	Reduction of the water backlogs which is 5.4% thereby improving access to water (1000 HH in Zenzele, 1500 HH in Grootvlei and 200 HH in Ext 6)for communities within the RDP standards, yard connection and in-house connection by October 2014	The water backlog will be reduced through the implementation of the following initiatives: Implementation of massive (funding) program for Grootvlei Ext1 &2, Nthorwane and Siyathemba area Construction of 10ML Greylingstad reservoir, 1x pump station (main0 and 1x gravity main for improving water access to the town, Grootvlei, Siyathemba and Nthorwane township Review the WSDP and prioritization of projects	Director: Infrastructure Services	30 June 2015	No Blockages	Require technical assistance in lobbying for funding from Sector departments and external funders. Business plans are in place, and require funding for implementation. COGTA, DWA and National Treasury
1.1 Implementation of Water Conservation Demand Management (WCDM)	Attend to water leakages to 5000 households in Siyathemba and Nthorwane thereby implementing the WCDM Reduce 46kl of water loss per HH/D	▪ Review the Water conservation and demand management Plan ▪ Implement Water Conservation and Demand Management (WCDM) ▪ Appointment of 100 qualified plumbers to do door-to-door house	Director: Infrastructures Services	30 June 2015	Insufficient funding, however there is R5000.00 secured from MIG	COGTA to assist with funding mechanisms DWA to increase the funding

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		visits.				
1.2 Maintenance of Ageing Infrastructure (Dipaleseng)	▪ Ensure a secured and sustainable potable water supply for the rapid increasing water demand of the developing communities in the Dipaleseng Municipality	▪ Upgrading/extension of Water purification plant to increase the Capacity from 110 ml to 300 Mℓ/day in 2030 ▪ Development of operation and maintenance plan to indicate critical areas for maintenance ▪ Construction of a new 300mm Raw water pipeline take off point from Greylingstad dam to Nthorwane WTP	Director: Infrastructures Services	30 June 2015	Insufficient funding from MIG High rate of burst pipes leading to high water loss (Dipaleseng west) Interruption of business due to burst pipes ▪ Water and sanitation services infrastructure is beyond design period thus can no longer sustain service delivery ▪ Ageing infrastructure in the Dipaleseng West. ▪ High water loss due to pipe leakages	COGTA to increase MIG funding Office of the Premier to assist through reserved funding for bulk infrastructure (SOPA)

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
					▪ High water bill account to residents ▪ Unaffordable services to our clients ▪ Inaccurate bill account ▪ Insufficient funding ▪ Interruption of services Lack of awareness of proper use of water	
1.3Sanitation	▪ To reduce sanitation backlogs standing at 6.9% (886 households) by providing access to waterborne sewerage to 500 HH and 386 HH to convertible VIP toilets in Rural area.	▪ Implementation of Greylingstad waterborne sewerage scheme: Phase 1. ▪ Obtain more funding for upgrade of the Balfour WWTP in order to increase the Capacity ▪ Review the Water and sanitation Master Plan ▪ Development of operation and maintenance plan to indicate critical areas for maintenance ▪ Installation of 386 convertible VIP toilets in rural areas	Director: Infrastructures Services	30 June 2015	▪ Water and sanitation services infrastructure is beyond design period thus can no longer sustain service delivery ▪ Delays in the implementation of housing projects	

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
2. **Accelerating Sustainable Human Settlements (land issues, housing backlogs etc**	▪ Reduce the housing backlogs estimated at 6000 housing units and 3 000 housing waiting list of people (Dipaleseng housing database) Housing projects ▪ Housing backlogs can be reduced through implementation of the following 205 housing projects (units) which have a conditional approval: ▪	The housing backlog will be reduced through the implementation of the following housing projects: ▪ Siyathemba 890 beneficiaries ▪ Nthorwane Housing – 1500 beneficiaries ▪ Grootvlei Ext 1&2 Housing – 1200 beneficiaries ▪ Balfour Storm drainage – 1385 housing units ▪ Siyathemba storm damage 1 - 850 units ▪ Siyathemba storm damage (2) – 800 Units ▪ Rural Development Phase (– 1000 housing units ▪ Sthandiwe Village housing –50 housing unit ▪ Zone 14 Housing – 20 units	Director: Planning and Development (Human Settlement)	30 June 2015	The development of housing projects in Dipaleseng happened over the past 10 years. Since then there have been delays in obtaining approval for housing projects and the process has been exacerbated by the high levels of urbanization and the collapse of Agricultural sector forcing the rural communities to search for job opportunities in urban centres. **Nthorwane & Grootvlei issues** There has been a lack of financial commitment from Department of Human Settlement in the past. Land availability has also stalled the delivery of housing project thus forcing the municipality to expropriate private owned land for the	Require technical assistance in lobbying for funding from Sector departments (MIG) and Department of Human Settlement ▪ Appoint project and programme managers for implementing of approved projects. ▪ Identify and release land for various income group and various housing forms ▪ Finalise Land Disposal Policy (Investigate options for the release of land below market value to cater for varying income categories) . COGTA, DHS and Treasury

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
					benefit of the needy communities in JBC area	

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
3. Development of a Capital Investment Plan (through infrastructure Development plan & Sector Plans)	Preparation of the Capital investment Plan/ Program in order to inform IDP spending on Infrastructures development The municipality will be in the position to quantify the backlogs and give financial projects for future years The capital Investment Program will assist the municipality on asset register and evaluation roll	The municipality is in the process of undertaking a study for roads and storm water management plan with the intention of determining the kilometres of access roads that need to be improved within the municipality in order to have a sound base of allocating financial resources for improving their condition and maintenance of existing road and storm-water drainage Review of the Water service Development Plan (WSDP) in order to quantify water and sanitation backlogs Develop the Operations and Maintenance Plan for	Director: Infrastructure Services	30 June 2015	Lack of adequate financial resources to enable the municipality to undertake these studies (WSDP, Roads and Storm-water Management Plan and Operations and Maintenance Plan to inform the IDP Capital Investment Program Adhoc implementation of infrastructure projects Unable to quantify the backlogs resulting to poor financial projections and reduction of backlogs Lack of projections for	Financial assistance is required to enable the municipality to undertake comprehensive studies that will enable the municipality to develop the Capital Investment Program. Department of Water Affairs Department of Cooperative Governance and Traditional Affairs

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		existing ageing infrastructure particularly in the Dipaleseng West			future years and a plan to reduce the backlogs	

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
4. Debt Management (increase payment factor)	To reduce the municipal debt into an acceptable level and inline with GRAP Debtors are accumulating each month as credit, mainly in the East, is not controlled. The electriTown disconnection process in the West maintains a fairly high pay factor, however the supply of water is not used as leverage in the East where the pay factor is low.	Revenue enhancement task team has been set up and the following areas have been identified to be addressed: 1. Councillor arrears 2. Staff arrears 3. Audit indigent register 4. Categorise debtors per easy of collectivity - risk analysis 5. Ward committees need to be educated with regard to the need for all to pay their current accounts 6. Accounts need a data clean up 7. Water flow regulators to be installed for leverage in areas where we do not supply electriTown 8. Water to be limited to 12 Kl for the indigent	Director: Budget and Treasury Office: Financial Services	30 June 2015	Insufficient budget Is part of the normal departmental budget 2. The fixing of leaks is dealt with by the relevant department 3. The cost of the implementation of water flow regulators will need to be sourced first from water savings and thereafter form part of the relevant departments' annual budget.	Capacity needs to be addressed with regard to suitably skilled staff as well as office space 2. Council buy in 3. Support of Officials 4.Support from Top management 5. Departmental buy-in. Task team meetings are not well attended 6. Deceased estates in the East are not wound up. due to both lack of knowledge of legislation requirements as well as lack of funds, therefore properties not transferred.

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		accountholders 9. The appointment of the Debt Management Service Provider to be finalized 10. Water leaks in the Six Wards to be addressed 11. Need to implement Easy pay facilities				7. Indigent water needs to be limited in terms of the policy Provincial Treasury to assist with Capacity challenges COGTA to assist with financial Capacity and technical advice.

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
5. Clean Audit by 2014	The municipality has set a target of a clean audit by 2014 after obtaining qualified audits for three consecutive times. Reduce the high percentage of fruitless and unauthorized expenditure (previously it was R22m and R15m for last financial year).	Develop and implement the audit action plan Review and finalisation of the Financial Plan which would assist the municipality in identifying new income streams and improve municipal financial efficiency Implementation of MFMA regulations and debt Recovery Plan and	Chief Financial Officer: BTO All Executive Directors	30 June 2015	Lack of compliance with the MFMA Lack of financial discipline among senior management Lack of political oversight	Provincial Treasury to provide technical support and Capacity building COGTA to provide the monitoring and evaluation for financial systems.

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		strategies. Implementation of SCM regulations Implementation of a risk register Implementation of Municipal approved delegations To appoint a service provider to assist us with risk profiling of our debtors. Once this exercise is complete, then we will discount our debtors in terms of IAS 39 and determine the provision for doubtful debts and impairment.				

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
6. Assets Management	To have a Generally Recognized accounting Practice (GRAP) compliant asset register. Develop the asset register Review the residual values and useful lives of assets at each reporting date in accordance with SA Standard of GRAP 17, Property, plant and equipment (PP&E), as evidenced by assets with a gross carrying amount of R10,024 million being included in the financial statements at a zero net carrying amount whilst still being in use, thus impacting on the valuation of these assets.	▪ To prioritize the appointment of the Asset Manager; To engage professional valuer to determine the residual values of all infrastructure assets and Land & Buildings; To engage the professional valuer to determine the Assets Net Replacement Value of all infrastructure assets and Land & Buildings; To engage the professional Engineer to assist with impairment assessment; To update the asset register with asset acquisitions and disposals; To inculcate the culture of month end discipline in term of reconciliations between the General Ledger and Asset Register. • To engage the service provider to assist us with asset verification. • To implement the document management system on Phoenix System.	Director: CFO: Budget and Treasury Office	30 June 2015	Financial constraints limits the municipality in implementing some of these programs Insufficient funding from the MSIG Lack of qualified personnel on asset management Lack of internal Capacity to undertake this exercise	COGTA to provide funding through MSIG COGTA to provide Capacity building and play monitoring and evaluation.

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
7. Identify infrastructure that support economic development	SMME Development should be part and parcel of the infrastructure development.	Mainstreaming SMME development within the organization To Implement "Phezokomkhono" programme as a component of SMME development.	Director: Planning and Development	30 June 2015	There are no blockages being experienced in terms	DEDT

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
8. Halving poverty and unemployment by 2014	To ensure that economic growth must be accompanied by increase in employment, this requires a focus on promoting and supporting labour absorbing sectors of the economy	• Support SMME development through incubators; • Promote and support entrepreneurial activities especially by the youth; • Support and promote the development of cooperative within Dipaleseng •Revive the viability of the mining industry; •Develop and roll out an extensive agricultural programme •Promote and support the development of the Hydroponics project •Support government led job creation programmes such as the Extended Public Works Programme, Community Works Programmes and the Food forSchools/Hospitals/Prisons programmes; •Roll out and extend the reach of the Poverty Alleviation programme to cover all wards within Dipaleseng especially the most needy	Director: Planning and Development	30 June 2015	• High unemployment (estimated at 40%) leading to poverty and deepening inequality; • Low literacy levels; • Dependency on the state (i.e. high number of people falling within the bracket of indigent households and social grant)	DEDT to provide financial support for Industrial development strategy DTI to provide financial support for packaging of industrial and manufacturing projects The Department of Agriculture to provide financial support for extensive agricultural support

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
9. Development of a Communication Strategy/ policy	To ensure a vibrant municipal communication with its stakeholders	Development of a communication policy Implement the municipal newsletter Revive the municipal website and corporate branding	Municipal Manager and Chief of Operations	30 June 2015	Lack of customer satisfaction survey Poor Intergovernmental relations	
	Ensure community Feedback	Strengthening of municipal structures and committees Conduct customer satisfaction survey, every two years	Municipal Manager Director IDP Manager PMS	30 June 2015	Lack of funding to conduct customer satisfaction survey Lack of Community Development workers	COGTA to provide financial support in order to conduct customer survey COGTA to provide financial support for strengthening of ward committees

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
10. Integration and Co-ordination (Establishment of business forums)	To ensure that there is a vibrant and effective interdepartmental committee.	Co-ordination of projects and programs within the municipality. Alignment of IDP, PMS and budget within the municipality	Municipal Manager and Director IDP	30 June 2015	Lack of coordination within municipal businesses Departments working on silos Overlapping of certain functions eg Environmental issues and waste management issues	None
	Establishment of an Economic development Forum	Mainstreaming of various forums into a single forum to participate on municipal business	Director: Planning and Development	30 June 2015	There are various existing forums with different interest	To secure funding from DBSA DEDT to provide financial support for establishment of the single forum

11. AUDITOR GENERAL OUTCOME AND ACTION PLAN FOR 2012/13 FINANCIAL YEAR

Dipaleseng Local Municipality received a **QUALIFIED AUDIT OPINION** in 2012/13 financial. The **AG** has raised certain issues that need to be addressed, and the table below outlines the issues raised by **AG** and how the municipality is going to address them.

The table below are matters raised by Auditor General and Municipality intervention plan

			Matters Affecting the Auditors report		
Component affected	**KEY AUDIT FINDINGS**	**CAUSES OF AUDIT FINDING**	**ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES**	**RESPONSIBILITY**	**DUE DATE FOR EACH ACTIVITY**
Assets	Disagreement Limitation: Infrastructure additions could not be audited due to supporting documentation requested not provided	The infrastructure additions of R 16 388 486 could not be audited due to invoices, contracts and payment / capitalisation certificates not provided by management. The limitation will result in limitation disagreement.	The CFO Should review the following; Monthly reconciliations of additions (e.g Requistion,Allocations, classifications), Monthly verification of payment certificates or rogress payments. The Project manager (PMU) and the Asset official should provide CFO with reports with regard to the items mention above	CFO	Resolved during the audit
Assets	Misstatement of asset: Assets could not be verified	During the verification of the movable assets there were assets that were found by the auditors: Movable assets	Asset verification should be done on quartely basis not wait until year-end. > All Assets should be bar-coded with a unique tracking number > for assets that poses danger GPS coordinates be fed with accurate information for easy tracing >CFO to confirm monthly that asset register has the Minimum required tabsa as per asset framework	CFO	31-May-14
Assets	Limitation disagreement misstatement: The supporting documentation for retentions was not provided for audit	The supporting documentation for request for information number 18 submitted on 31 October 2013 was not provided.	The CFO Should review the following; > Monthly reconciliations of Contrat register (e.g Requistion,Allocations, classifications) > Ensure appropriate journals are passed for any new contract entered into >Ensure that an adequate percentatge is allocated on the approved tender amounts > Ensure such rentention are paid out on receipt of completion cerificate >Make follows up on absent of documents stated above. The Project manager (PMU) and the Asset official should provide Monthly reports on matters stated above	CFO/DIRECTOR INFRASTRUCTURE	31-May-14
Assets	progress register could	The following completed capital projects per the work in progress register could	The CFO should ensure the following > There is unique reference number on all completed		

Component affected	KEY AUDIT FINDINGS	CAUSES OF AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
Suspense Account	Disagreement misstatement: The suspense account are overstated with R12 191 405.54	The suspense accounts were not cleared regularly and have balances that date back to 2011/12 financial year. And as a result suspense accounts will be overstated with R12 191 405.54	The Council should have clear policy in dealing with untraceable deposits (Amounts not reported within a certain period be regarded as income other wise revert back to liabilities) however no exception on payments >Bank and cash management official should ensure that daily bank reconcialition is conducted >Ensure Amounts are appropriately allocated and variance be followed up >Bank recon daily reviewd by the CFO	CFO	31-May-14
VAT	Limitation: VAT payable journals, Trade receivables journals and	The supporting documentation for request for information number 53 dated 13 November 2013 was not submitted by management, for the Journals	The CFO Shpould Ensure that supporting documents are kept for every transaction occurred, System transaction audit be conducted to verify if the current transactions have accurate and valid supporting Documents	CFO	Resolved during the audit
VAT	Internal control deficiency: VAT reconciliation not performed	The municipality did not perform a monthly VAT reconciliation between the general ledger and the VAT 201's; this resulted to the following differences.	The CFO should ensure that there are working papers on monthly basis for Vat Calculation, >Appropriate journals passed on monhtly basis >agree amounts on General ledger (VAT control account) to MP201 Keep A register for all VAT returns and GL printout on the financail system >Performe recon between GL and MP 201 and any variances be followed up and cleared	CFO	31-May-14

Component affected	KEY AUDIT FINDINGS	CAUSES OF AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
Non-compliances	Non-compliance: Internal Audit: Non compliance with MFMA section 165(1), internal audit unit not established	The Municipality did not establish a functional Internal Audit unit as required by the Municipal Finance Management Act section 165 (1), (2) (b) and (3).	>The Council should ensure that there's budget available for filling of this posts >The Audit Committee should ensure that it provides the counicl with appropriate internal audit organogram that will be suitable for the municipal fiscals	MM	31-May-14
Non-compliances	Non-compliance: Audit Committee: Council of the municipality did	The council did not appoint the audit committee for the municipality for the financial year 2012/13 however it was noted that the council only appointed one audit committee member	>the Council should ensure that there's budget available for filling of this posts	MM	31-May-14
Non-compliances	Non Compliance: The municipality did not calculate the interest for long outstanding debts according to the debtors' statements.	The accounting officer did not charge interest on debtors accounts of the municipality for the services rendered on the monthly basis.	The MM Should ensure that the policy is updated to cover such requirement >Such interest rate should reviewd yearly so to be in line with the current lending rate >the policy should clearly state the interest to be charged and updated yearly	CFO	Resolved
Non-compliances	Non-compliance: Payment to suppliers not made within 30 days of R345 333.49.	Compared the suppliers invoice date to the payment date and the following payments were not made within 30 days:	The Cfo Should ensure the following Documents exist and monitored weekly > Invoice register >Creditors age analysis >Reconciliation between Invoice register to Creditors age anaylsis > Exception report by drawing creditors list sort by Goods Receiving Note by date and follow up unpaid suppliers > Disciplinary action taken if found that last received invoice has been paid other than the first to be received	CFO	
Non-compliances	Non-compliance: Trading with suppliers in service of the state for the total transaction value of R38 195	The members of the following suppliers are officials of the state but they traded with the municipality. There was no declaration in place for Tropical Sky Trading, This will lead to irregular expenditure.	The Council and The MM should ensure that the declaration of interest and the policy is change to the following: "Should the supplier or any member therefore found that during time of requesting quotaions declared that s/he is not public service such amount incurred should be recovered from Service provider. and such should be clearly stated on th declaration form and the policy.	CFO	31-May-14
Non-compliances	Non-compliance: performance of consultants is not monitored on a monthly basis	The following contracts are not monitored on a monthly basis 1. I@consulting 2. Rich Rewards 3. Maximum profit recovery	The MM and respective SM should have a checklist developed that will encompas > descreption of activities to be perfromed by the Service provder > target date for each activity >Outcome of each activity > Review/Target date by Managemet >All the info above shall be based on the Service	MM	31-May-14

Component affected	KEY AUDIT FINDINGS	CAUSES OF AUDIT FINDING	ACTIVITIES TO BE UNDERTAKEN TO REMEDY THE KEY FINDINGS AND ADDRESS CAUSES	RESPONSIBILITY	DUE DATE FOR EACH ACTIVITY
AOPO	AOPO: Internal control deficiency: Management did not establish internal controls to manage performance information	The municipality did not design controls to reconcile the reported actual performance against the source documents where they originate from.	>The MM should esnure that a performance management system unit if formed > The PMU should have the following documents for Monitoring -Approved budget/adjustment budget, Approve IDP, Approved SDBIP, Approved perfromance contract of each SM - Develop a checklist to ensure the alignementof the Budget to IDp to SDBIP - Develop a checklist to esnure that performance contract speaks to Budget, IDP and SDBIP	Director Infrastructure	31-May-14
AOPO	AOPO: Non compliance : Municipality did not establish and implement the effective performance management system (PMS)	The municipality did not establish the performance management system which is line with the priorities, objectives, indicators and targets contained in its Integrated Development Plan(IDP), clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system, determines the frequency of reporting and the lines of accountability for performance, relates to the municipality's employee performance management processes and provides for the procedure by which the system is linked to the municipality's IDP processes.	>The MM should esnure that a performance management system unit if formed > The PMU should have the following documents for Monitoring -Approved budget/adjustment budget, Approve IDP, Approved SDBIP, Approved perfromance contract of each SM - Develop a checklist to ensure the alignementof the Budget to IDp to SDBIP - Develop a checklist to esnure that performance contract speaks to Budget, IDP and SDBIP	Director Infrastructure	31-May-14
AOPO	AOPO: Limitation misstatement: Portfolio of evidence for actual performance reported not provided for audit	Note I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of information presented with respect to listed below actual performance reported on the annual performance report. This was due to limitations placed on the scope of my work due to the fact that the institution could not provide sufficient appropriate	The MM has to ensure the PMS has necessary tools to populate an appropriate Indicators, measurement, objectives > And on completion of the SDBIP; management reviews is required to assess the validity of information on the reporting tool in terms of accuracy, completeness, relevancy and reliability of information	Director Infrastructure	31-May-14
		evidence in support of the information presented with respect to the listed below actual performance reported on the annual			

12. 3 MEC COMMENTS

The MEC for Cogta provides comments on annual basis on the DLM"s approved IDP. The following comments were made on 2013/14 IDP and have been incorporated in this document with DLM responses.

Table: 30 MEC comments

MEC COMMENTS	DLM RESPONSES
IDP not submitted as per prescribed framework	Strict adherence to the process plan in the next revised cycle.
Municipality does not have budget to execute any project related to disaster management	Budgetary provision to be made in the 2014/15 financial year
Integrated Human Settlement huge backlogs are observe by	Department of Human Settlement to allocate houses as per the municipal housing sector plan
Process plan in managing IDP review process	Commit strict adherence to next cycle of review 2015/15
MEC commended the municipality on other areas on the compilation and the presentation of the IDP	DLM note the comment with appreciation and commit to replicate the good work done.
SWOT Analysis	SWOT Analysis has been updated as per the Strategic Planning session held on **21-23 May 2014** and incorporated
Five Year Financial Plan	The five-year financial plan and incorporate into the IDP.
Municipal projects not informed by municipal strategies	The municipality conducted Departmental Lekgotla in order for each Department to align their municipal projects to the strategic goals and objective.

CHAPTER: 12 DISASTER MANAGEMENT

Section 1 of the Disaster Management Act, 57 of 2002 defines “disaster management” a a continuous and integrated muilti-set oral, muilti-disciplinary process of planning and implementation of measures aimed at prevention or reducing the risks of disasters, mitigation the severity or consequences of disasters, emergency preparedness, a rapid response and effective response to disasters and post-disaster recovery and rehabilitation.

The sub-division of Disaster Management aims to efficiently and effectively manage disaster scenarios, pro-actively and re-actively, through determining and implementing, prevention mitigation, preparedness, awareness, response, recovery and reconstruction strategies. The municipality has developed a disaster Management framework and it was adopted by Council under the resolution: **C54/10/2010.** The aim of the disaster framework is:

12.1 Legislative framework

Any Disaster Management activity has to be attended to in terms of the following and other supporting documentation:

- Constitution of South Africa section 41(1)(b).
- Disaster Management Act, 57 of 2002.
- National Disaster Management Framework of 2005, published in terms of the Act.
- The Local Government Municipal Systems Act 32 of 2000 as amended.
- Provincial Disaster Management Framework.
- GSDM Disaster Management Framework.
- Dipaleseng Disaster Management Framework, as adopted by Council **C54/10/2010.**

The holistic development and implementation of Disaster Management at municipal level in compliance with chapter 5 of the Disaster Management Act. The relevant section of the Safety at Sports and Recreational Events Act 2 of 2010. Any directives that from time to time, may be issued by the Municipal, Province or National Government.

12.2 Disaster Risk Reduction

Table 31: Disaster, Prevention, Mitigation for Specific Known Risk

HAZARDS	DISASTER, PREVENTION, MITIGATION FOR SPECIFIC KNOWN RISK
Road accidents	• Develop a unified incident management system • Ensure compatibility of rescue vehicles and equipment. • Develop a specialised rescued team within the fire service. • Ensure continuous training and refresher causes relating rescues. • Implementation of (SOP) Standard Operating Procedures. • Conduct road safety and training awareness campaigns
Veld Fires	• Implementation of veld and forest regulation. • Implementation of veld fire campaigns • Implementation of veld fire management training and awareness campaigns. • Provision of adequate fire hydrant infrastructure. • Ensure compatibility of veld fire equipment within the local municipality.

Floods	• Implementation of floods awareness campaigns • Adequate provision of maintenance if storm water systems. • Development and implementation of evacuation of plans • Relocation of residents located close to flood line to safer areas. • Building capacity within Rescue Services to enable adequate water rescue. • Ensure adequate responses. • Implementation of land use regulations • Ensure early warning arrangements. • Municipal communications department and SA weather service.
Severe Storm and strong Winds	• Ensure effective early warning system. • Municipal communications department and SA weather. • Identify critical facilities • Ensure adequate response capabilities of emergency services. • Implement education and awareness campaigns. • Implement building regulations.
Informal and Structural fires	• Implement education and awareness campaigns. • Provision of adequate hydrants and water supply. • Ensure sufficient personnel and firefighting equipment. • Provide access roads to informal and rural areas.
Water and Air pollution	• Ensure continuous monitoring of water and air quality within the municipality • Ensure continuous flushing of reservoirs and infrastructure. • Implement training and awareness campaigns.
Hazardous Material Incidents	• Ensure registration of vehicles transporting hazardous materials. • Continuous monitoring of premises handling storage and distribution of hazardous material. • Awareness campaigns and training in the handling storage and distribution of hazardous material. • Ensure competently campaigns.
Illegal Dumping	• Ensure the maintenance and provision of mini dumping sites. • Removal of waste material on daily basis (refuse bags etc.) • Participate in the annual competition • Implementation of by-laws relating to illegal dumping. • Implement awareness campaigns.
Droughts	• Implementation of agreements with mining industry for the supply of water. • Record keeping of the location of boreholes • Controlling of dam water supply • Ensure effective early warning arrangements SA weather services. • Implement education and awareness campaigns.
Dam Failure	• Maintain and monitor dam infrastructure
Railway Accident	• Awareness campaigns • Establish continuous deliberation between SA rail and municipality. • Check and maintain Rescue equipment on daily basis.

Table 32: Dipaleseng risk profile and mitigation strategies

HAZARDS	RESPONSIBLE	ACTIVITY
Road Accidents	Fire Services Control Centre (017) 773 0055	Dispatch all emergency services
	Fire Services	Assist with service components where rescue, patient treatment is required.
	Municipal and Provincial Traffic	Assist with service components where Traffic diversion management is required.
	Provincial and private Ambulance Services	Assist with service components where triage, patient treatment and transport to medical facilities are required.
	TRAC	Assist with service components where safety measure and cleaning of the road is required.
	(SAPS) South African Police Service (pathologists, crime scene photographers and detectives)	Assist with specialised services where is required.
	Towing Services	Assist with service components where towing of the affected vehicles is required.
	Emergency Services Chaplains	Assist with service components where counselling of the affected families is required.
	Municipal Disaster Management	Activate local joc and co-ordinate relevant departments and stakeholders and liaise with GSDM Disaster Management Centre
	Municipal Communications	Co- ordinate activities with political leadership and media
VELD FIRES	Municipal Communications	Co- ordinate activities with political leadership
	Fire Services Control Centre	• Dispatch all emergency Services(fire, land owners, EMS, SAPS etc.) • Assist with service components where firefighting, search and rescue, patient treatment and transportation to medical facilities, evacuation relocation is required.

	(DDF) Department of Agriculture Forestry and Fisheries.	• Verify damages and assist with recovery
	(DARDLA) Department of Agriculture, Rural development and land administration	• Verify and assist with production inputs and rehabilitation.
	(DSD) Department of Social Development	• Provide/assist with social services to affected communities (social relief)
	Municipal Disaster Management	• Monitor, co-ordinate and liaise with NDDMC, activate local JOC all activities and relieve operations with role players.
FLOODS SEVERE STORM AND STRONG WINDS	Municipal Communications	• Co-ordinate activities with political leadership and media.
	Fire Services	• Assist with services components where search and rescue, evacuation, relocation is required.
	Municipal and Provincial Traffic	• Assist with services components where evacuation, relocating and provision of access routes are required.
	Municipal Human Settlement	• Assist with services components where Emergency housing is required.
	Municipal Finance & Corporate Departments	• Assist with services components in funding and arrangements for the affected municipal infrastructure
	Municipal Infrastructure Services	• Assist with services components regarding all technical arrangements.
	Municipal Disaster Management	• Activate local JOC monitor and co-ordinates role players/stakeholders.
	EMS & Private Ambulance Services	• Assist with service components where triage, patient treatment and transport to medical facilities are required.
	(SARC) South African Red Cross, Social development and SAPS	• Assist with services components where locating missing persons and care
	Emergency Services Chaplains	• Assist with service components where counselling of the affected families is required.

INFORMAL SETTLEMENT AND STRUCTURAL FIRES	Fire Services	• Assist with services components where fire operations is required
	Municipal Human Settlement	• Assist with services components where Emergency housing is required
	Municipal and Provincial Traffic	• Assist with services components where evacuation, relocating and provision of access routes are required
	EMS & Private Ambulance Services	• Assist with service components where triage, patient treatment and transport to medical facilities are required.
	Municipal Disaster Management	• Activate local JOC monitor and co-ordinates role players/stakeholders
WATER & AIR POLLUTION	Municipal Infrastructure Services	• Assist with services components regarding all technical arrangements.
	Municipal Disaster Management	• Activate local JOC monitor and co-ordinates role players/stakeholders
	Municipal Communications	• Co-ordinate activities with political leadership and media.
HAZADOUS MATERIAL INCIDENTS	Municipal Communications	• Co-ordinate activities with political leadership and media.
	Environment Management	• Assist with services components regarding protection of environment.
	Municipal Disaster Management	• Activate local JOC monitor and co-ordinates role players/stakeholders
ILLEGAL DUMPING	Municipality Solid Waste Services	• Monitor, co-ordinate, investigate and law enforcement

Mobilization Chart

	INITIAL PHASE	DETERIORATION PHASE	DISASTER PHASE
Head of DM/MAYOR	• Report to DOC	• Communicate with GO, NGO DDMC Head and Provincial Government	• Instruct emergency plan to be brought into operation. • Declare Disaster
MM (Municipal Manager)	• Man DOC • Assemble DOC and notify Executive Managers • Actions in accordance with procedural check list	• Take over functions of EMPS after his/her departure • Instruct Managers to report • Instruct EMPS to report at disaster scene. • Communicate with Role players	• Instruct emergency plan to be brought into operation. • Monitor and give instructions. • Perform functions of Head DM in his/her absence.
Head DOC (Disaster Management Officer-DMO)	• Bring DOC into operation • Notify MM • Establish Communications • Actions in accordance with the procedural plan.	• Man Radio room (DOC)	• Effect plans and procedures of Emergency plan(SOP's)
Executive Directors	• Report to DOC and notify HOD's	• Instructions to all personnel to report	• Effect plans and procedures of Emergency plan(SOP's)
Asst. Directors& Directors	• Notify personnel • Report to workstations	• Ensure personnel to report	• Effect plans and procedures of Emergency plan(SOP's)
EMPS (Executive)	• Report to DOC	• Depart to disaster scene • Establish FCP	• Effect plans and procedures of Emergency plan(SOP's)
Director: (Community Services)		• Give report to DOC • MM to manage EMPS function in DOC	• Request Evacuation and accommodation
Deputy Director (Fire & DM Services)	• Report at disaster scene • Personnel already present	• Take command • Establish FCP	• Effect plans and procedures of Emergency plan(SOP's)
SAPS	• Report at disaster scene	• Senior Official to report at DOC	• Care and stock keeping

Traffic, Law Enforcement & Security Services	• Alert Officials • On duty personnel already on scene	• React • Establish vehicle part\k	• Control traffic to and from disaster scene
Departments (Personnel)	• Notify families	• Medical staff to report to clinic • Control room personnel to report at DOC • All other personnel to report at workstations	• Effect Instructions
EMS (Emergency Medical Services)	• Report to scene	• Effect triage and Casevac • Hospital readiness	• Treat and Transport patients
Control Room	• Receive emergency call • Dispatch role= players • Notify role-players as per request	• React according to instructions	• Relay messages and information to DOC and FCP • Record keeping

Legend

DOC: Disaster Operation Centre
NGO: Non-Government Organisation
DM: Disaster Management
FCP: Forward Command Post
HOD: Head of Department
GO: Government Organisation
DDMC: District Disaster Management Centre
EMPS: Executive Manager Public Services
MM: Municipal Manager
DMO: Disaster Management Officer

13. Response and Recovery

Contingency Plan for Dipaleseng Local Municipality

The main aim and objective is to provide an integrated approach to ensure quick and effective response to known or emergency incidents to ensure the protection of life(human and animals) infrastructure and environment.

1. AIM

The difference role and responsibility of stakeholders during a disaster needs to be affected in a co-ordinated manner to mini duplication of resource and ensure optimal effectiveness. Consultation between the relevant role-players and the Disaster Management Office will enhance the decision making in the declaration of a disaster.

2. PHASES

There are three phases how the implementation of the disaster plan can be set in motion

- Initial phase
- Deterioration phase
- Disaster phase

a) INITIAL PHASE

Information received indicates that a situation can deteriorate into a situation of emergency.

b) DETERIORATION PHASE

Indicates the deterioration of the existing situation and in case a drastic improvement does not in an emergency situation will develop.

c) DISASTER PHASE

Indicates that an emergency situation exists and that actions should be taken as ordered.

3. PROCEDURAL PLAN

The following procedural plan will therefore guide the process of implementation from the onslaught of disaster until the termination of disaster.

a) INITIAL PHASE

The DMO (disaster Management Officer), after being notified will man the DOC (Disaster Operation Centre) and bring into operation readiness. He/she will notify the MM (Municipal Manager) who will issue the instruction to assemble the DOC**.**

Executive Managers will immediately take the following steps:

- Notify HOD (Head of Department) that all official must be ready and see that their equipment are in order
- Arrangements must be made for the care of their families for an indefinite period.
- The DMO will bring about channels for the necessary communications.

b) DETERIORATION PHASE

By the implementation of the deterioration phase, Head of DM (Disaster Management) /MM will give all Executive Managers instructions per radio or other means to report as soon as possible. Executive Managers will at the same time give all their officials instructions to report at their respective work stations. Medical staff must report to the clinic. Care must be taken that all officials can be identified to enable them to obtain access to the Forward Command Post (FCP) Mobile Command Centre or disaster area. Control room personnel will immediately report to the DOC.

The deputy co-ordinator, Executive Manager, Public Services (EMPS) and the Chief fire Services (CFS) will on instruction of the Head of DM/MM depart to the disaster scene to observe and to notify the DOC of the exact situation and indicate what precautions must be taken temporarily. The DMO will immediately man the radio room. The Head of DM/ MM will liaise with the Gert Sibande District Municipality Disaster Management Centre (GSDMDMC) and the Provincial Disaster Management Centre (PDMC) in order to declare a local disaster. If necessary the Head of DM/MM Communicate with other role players.

DISASTER PHASE

With the implementation of the Disaster phase the emergency plan will be brought into operation and the entire organization will go into action on the instruction of Head of DM/MM